Finders' Association; the Wholesale Grocers' Exchange, of Chicago; the United Commercial Travelers, of Freeport, Ill.; the National Shoe Wholesalers' Association; and the Laundry Owners' National Association, for legislation to provide for 1-cent drop letter postage; to the Committee on the Post Office and Post Roads.

6773. By Mr. KISSEL: Petition of Empire State Forest Products Association, Albany, N. Y., urging that the Director of the Budget and the Congress should give favorable consideration to the request for funds for the establishment of a northeastern forest experiment station; to the Committee on Agriculture.

6774. By Mr. MAPES: Resolutions of John Nies Sons and 21 others, of Holland, Mich., for the repeal of the tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6775. By Mr. RADCLIFFE: Petition of 124 citizens of Paterson, N. J., favoring a joint resolution purporting to extend immediate aid to the people of the German and Austrian Republics; to the Committee on Foreign Affairs.

6776. By Mr. SINCLAIR: Petition of Louis Endres and 31 others, of Fort Yates, N. Dak., urging that aid be given the famine-stricken peoples of the German and Austrian Republics; to the Committee on Foreign Affairs.

6777. Also, petition of C. V. Ferguson and 11 others, of Glenburn, N. Dak., to abolish a discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6778. Also, petition of Rev. J. Fontana and 103 others, of New Salem, Judson, and Almont, N. Dak., for the purchase of food supplies in the United States to be sent to the famine-stricken peoples of Germany and Austria; to the Committee on Foreign Affairs.

6779. Also, petition of Leslie A. Gibbs and 20 others, of Marmarth, N. Dak., to abolish a discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6780. Also, petition of Rev. G. Wullschleger and 33 others, of Judson, N. Dak., urging that aid be extended to the famine-stricken peoples of Germany and Austria; to the Committee on Foreign Affairs.

6781. By Mr. SNYDER: Petition of H. Krebs and other residents of the thirty-third congressional district of New York, for the abolishment of the discriminatory duty on small arms; to the Committee on Ways and Means.

SENATE.

TUESDAY, *January 9, 1923.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, grant that we do not come before Thee with mere lip service, but may the thought in our hearts and the longing of our souls be in perfect harmony with the desire of Thine own heart toward us, that we may render acceptable service unto Thee. Keep us from formalities, but help us to reach after realities and find our lives becoming more and more sacred with the things that are best and are worth while. Hear and help us constantly. Through Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

OPERATION OF CIVIL SERVICE RETIREMENT ACT.

The PRESIDENT pro tempore laid before the Senate a communication from the First Assistant Secretary of the Interior, transmitting, pursuant to law, a letter from the Commissioner of Pensions, together with a report of the board of actuaries on the operation of the civil service retirement act, which was referred to the Committee on Civil Service.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 13660) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1924, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

A bill (H. R. 10531) to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes; and

A bill (H. R. 12170) to revive and reenact the act entitled "An act to authorize the commissioners of Lycoming County, Pa., and their successors in office to construct a bridge across the West Branch of the Susquehanna River from the foot of Arch Street, in the city of Williamsport, to the borough of Duboistown, Lycoming County, Pa.," approved August 11, 1916.

PETITIONS AND MEMORIALS.

Mr. LADD presented petitions of Ada Endres and 54 other citizens of Fort Yates, and of 114 citizens of Ellendale, all in the State of North Dakota, praying for the passage of legislation extending immediate aid to the famine-stricken peoples of the German and Austrian Republics, which were referred to the Committee on Foreign Relations.

Mr. ROBINSON presented a petition of sundry citizens of Murfreesboro, Tenn., praying an amendment of the so-called ship subsidy bill providing for safety at sea of passengers, crews, ships, and cargoes, which was ordered to lie on the table.

Mr. SHORTRIDGE presented resolutions adopted by the Los Angeles (Calif.) Chamber of Commerce, favoring very careful scrutiny of the so-called Bursum bill relating to Pueblo Indian lands in New Mexico, to the end that it may not adversely affect the rights of such Indians, which were referred to the Committee on Public Lands and Surveys.

He also presented a letter in the nature of a petition from Edward J. Sullivan, of Carmel, Calif., praying for the passage of the so-called Denison "blue sky" bill, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the San Francisco Post, Society of American Military Engineers, of San Francisco, Calif., protesting against reduction of appropriations for training of the citizen soldiery, provided for in the national defense act as amended June 4, 1920, which were referred to the Committee on Military Affairs.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. BAYARD, from the Committee on Claims, to which was referred the bill (S. 3226) for the relief of William J. Ewing, reported it with an amendment and submitted a report (No. 999) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 3849) for the relief of Robert J. Kirk, reported it without amendment and submitted a report (No. 1000) thereon.

ADMISSION OF ARMENIAN REFUGEES.

Mr. WILLIAMS. Mr. President, I send to the desk a bill to be read and referred, and I ask unanimous consent to address the Senate for four or five minutes concerning it.

The PRESIDENT pro tempore. The Senator from Mississippi asks unanimous consent to speak for five minutes upon a bill which he introduces. Is there objection? The Chair hears none, and the Senator will proceed.

Mr. WILLIAMS. Mr. President, the bill which I have sent to the Secretary's desk is a bill to permit our immigration authorities to exceed the number of Turkish Armenians who are coming into the country beyond the present quota permitted them by law to the extent of 75,000 during the year 1923. I have tried to guard the bill so that it shall meet with no objections from labor unions or from any other legitimate interest.

It is provided that these Armenians shall go upon the land as farmers or as farm laborers or as tenants or share hands. It is further provided that a preference shall be given to such of them as have relatives in the United States who are willing to pay their way and to give bond that they shall not become public charges. There is a secondary preference given to such of them as can procure benevolent associations in the United States to give bond that they shall not become public charges. It is further required that proper assurance must be given to our consuls abroad or to our immigration authorities here that they have some reasonable assurance of finding places upon the farms in the country.

Mr. President, I do not want to help to increase the scarcity, if any there be, of manufacturing labor for the benefit of those who wish to reduce the wages of labor, but the farmers in many parts of the country neither have, nor can they procure, suf-

ficient labor to carry on their operations in a manner most conducive to their own prosperity and to the welfare of the American people.

Of course, if there had been no crisis abroad I would not introduce the bill, but, Mr. President, at one American institution I have been informed are 3,000 homeless Turkish Armenian children. At one time in one place there were 18,000 of them gathered together. There were at one time 300,000 Christian refugees—many, if not most of them, however, being Greeks—waiting at and near Smyrna for some method of getting out of Turkish territory, like "dumb driven cattle," frightened and running.

Mr. President, I have added another clause to the bill providing that Armenian children, orphans or homeless, shall be permitted to enter during the year 1923 to the number of 25,000, provided that some orphans' home—religious, governmental, or secular—shall assure the immigration agents that they have places for them, and will give proper security that they shall be taken care of, clothed, and fed, and educated to the age where they can take care of themselves; and that amongst those Armenian homeless and orphan children there shall be permitted to enter others where American or Armenian families in the United States consent to adopt them and to take care of them, and make satisfactory showing to the immigration authorities that they can and will do so.

In brief that is all there is to the bill. I am as much opposed as anybody to unrestricted immigration. I have, therefore, put a provision in the bill that the adult Armenians who are to be permitted to come here in excess of their 3 per cent quota shall be those who shall comply otherwise with all of our present immigration requirements. They shall be literates, shall be in good physical health, shall be neither anarchists nor government-destroying communists. I have tried to hedge the bill about so that we can do a great humanitarian work without hurting anybody in the United States. We surely, it seems to me, can do that much for the world, the Asia Minor part of it, in the day of its suffering, its deportations, its ravishments, its suppression, and its persecution.

Those people are either political or religious refugees, the subjects of political or religious persecution. I admit that they have aroused my sympathy. The Armenians are not an Asiatic race. There are many who do not know that, but I made occasion to examine the literature upon the subject several years ago. They are a European race who must have gone into Asia Minor like the Gauls went into Galatia from Europe around the Black Sea to their present homelands in Russia and Turkey. They possess the attributes and the excellencies, the industry and the intelligence and the energy of the European race. When immigration to this country was unrestricted there were fewer illiterates than among almost any, or, as I remember, any populations coming to us for homes. They are members of the oldest now-existing Christian church in the habitat where they first became Christian. They are at home predominantly agriculturists. They would add a desirable element to our farm population. The whole number to be admitted, adults and children, is only 100,000. That is only about one-tenth of 1 per cent of our existing population and their assimilation can not seriously affect us in our physical, mental, moral, political, or industrial make-up. All of them who could get with us fought with us during the World War, and the British military commanders estimated their service and mentioned them commendingly.

The bill (S. 4298) for the extension of the number of Turkish Armenians admissible as immigrants to the United States, and for the admission of orphaned and homeless Armenian children to American orphan institutions and to adoption in American private families, was read twice by its title and referred to the Committee on Immigration.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KING:

A bill (S. 4299) for the relief of the widow and minor children of Raymond C. Hanford; to the Committee on Claims.

A bill (S. 4300) providing for the sale and disposition of lands within the former Uncompahgre Indian Reservation, in the State of Utah, containing gilsonite or other like substances; to the Committee on Public Lands and Surveys.

By Mr. POINDEXTER:

A bill (S. 4301) granting a pension to P. G. Hobbs; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 4302) granting an increase of pension to Patrick H. Guhin (with accompanying papers); to the Committee on Pensions.

By Mr. COLT:

A bill (S. 4303) to amend the joint resolution extending the operation of the immigration act of May 19, 1921, as amended by the resolution of May 11, 1922; to the Committee on Immigration.

By Mr. NICHOLSON:

A bill (S. 4304) authorizing the acquirement of a site and the construction of a building for a post office at Longmont, Colo.; to the Committee on Public Buildings and Grounds.

By Mr. BURSUM:

A bill (S. 4305) granting increase of pension to certain soldiers of the Mexican War and Civil War and their widows and minor children, widows of the War of 1812, Army nurses, and for other purposes; to the Committee on Pensions.

By Mr. DIAL:

A bill (S. 4306) to further regulate the trading in future contracts of agricultural products; to the Committee on the Judiciary.

By Mr. CALDER:

A bill (S. 4307) for the relief of John I. Conroy; to the Committee on Naval Affairs.

By Mr. PHIPPS:

A bill (S. 4308) to authorize the general accounting officers of the United States to allow credit to certain disbursing officers for payments of salary made on properly certified and approved vouchers; to the Committee on Claims.

By Mr. NEW:

A bill (S. 4309) to amend an act entitled "An act to amend an act entitled 'An act to provide a government for the Territory of Hawaii,' approved April 30, 1900, as amended, to establish an Hawaiian Homes Commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes," approved July 9, 1921; to the Committee on Territories and Insular Possessions.

By Mr. McNARY:

A joint resolution (S. J. Res. 264) for the relief of the city of Astoria, Oreg.; to the Committee on Appropriations.

AMENDMENT OF AGRICULTURAL APPROPRIATION BILL.

Mr. STERLING submitted an amendment proposing to increase the appropriation for the location and destruction of the barberry bushes and other vegetation from which rust spores originate, etc., from $350,000 to $500,000, intended to be proposed by him to House bill 13481, the Agricultural Department appropriation bill, which was ordered to lie on the table and to be printed.

AMENDMENT OF INDEPENDENT OFFICES APPROPRIATION BILL.

Mr. POMERENE submitted an amendment proposing to authorize an appropriation of $99,185 for the Perry's Victory Memorial, for improvement of the grounds and approaches to the memorial, parking, retaining walls, facing the upper and lower plazas with tile or other suitable material, etc., intended to be proposed by him to House bill 13696, the independent offices appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE BILL REFERRED.

The bill (H. R. 13660) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1924, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

READING OF WASHINGTON'S FAREWELL ADDRESS.

The VICE PRESIDENT. The Chair designates the Senator from the State of Virginia [Mr. GLASS] to read Washington's Farewell Address February 22 next, which is to be read pursuant to an order of the Senate of January 24, 1901.

SENATOR FROM NEBRASKA.

The VICE PRESIDENT laid before the Senate the credentials of R. B. HOWELL, chosen a Senator from the State of Nebraska for the term of six years beginning March 4, 1923, which were ordered to be placed on file and to be printed in the RECORD, as follows:

EXECUTIVE OFFICE.
State of Nebraska, Lincoln.

To the President of the United States Senate:

This is to certify that on the 7th day of November, in the year 1922, at a general election held throughout the State of Nebraska, R. B. HOWELL, Esq., was duly chosen by the qualified electors of the State

of Nebraska a Senator from said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1923.

Witness his excellency our governor, Samuel R. McKelvie, and our seal hereto affixed, this the 3d day of January, in the year of our Lord 1923.

[SEAL.] SAMUEL R. MCKELVIE.

By the governor:

DARIUS M. AMSBERRY,
Secretary of State.

NAVAL APPROPRIATIONS—CONFERENCE REPORT.

Mr. POINDEXTER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13374) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 8, 15, 17, 20, 29, and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 7, 9, 10, 13, 14, 21, 22, 23, 24, 26, 27, 28, 30, and 31, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,400,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,594,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,475,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$180,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$9,903,000, of which sum an amount not exceeding $903,000 shall be available for the purchase, manufacture, and installation of antiaircraft guns for the United States ship *Maryland*, and ammunition and fire-control instruments required for such guns"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$135,340"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "No part of any appropriation made for the Navy shall be expended for any of the purposes herein provided for on account of the Navy Department in the District of Columbia, including personal services of civilians and of enlisted men of the Navy, except as herein expressly authorized: *Provided*, That there may be detailed to the Bureau of Navigation not to exceed at any one time 34 enlisted men of the Navy: *Provided further*, That enlisted men detailed to the Naval Dispensary and the Radio Communication Service shall not be regarded as detailed to the Navy Department in the District of Columbia"; and the Senate agree to the same.

MILES POINDEXTER,
CARTER GLASS,
FREDERICK HALE,
Managers on the part of the Senate.

PATRICK H. KELLEY,
BURTON L. FRENCH,
MARTIN B. MADDEN,
JAMES F. BYRNES,
WM. B. OLIVER,
Managers on the part of the House.

Mr. POINDEXTER. I move the adoption of the conference report.

Mr. ROBINSON. Mr. President, may we have a statement from the Senator respecting the agreements contained in the report before we proceed to its consideration?

Mr. POINDEXTER. It is a complete agreement on the differences of the two Houses. There were very few substantial changes made by the Senate in the bill. There was a compromise between the two Houses on those.

There was an increase by the Senate of $1,000,000 to the Naval Reserve. The conferees agreed upon an increase of $600,000. Another one was $550,000 for the manufacture of torpedoes. The Senate conferees receded from that amendment. Most of the other amendments were largely of a formal character, I will say to the Senator from Arkansas.

Mr. ROBINSON. May I ask the Senator from Washington if the conference report was unanimously agreed to by the members of the conference on the part of the Senate?

Mr. POINDEXTER. It was.

Mr. ROBINSON. I have no objection to the adoption of the report.

Mr. GERRY. Mr. President, reserving the right to object, I would like to ask the Senator from Washington what the conferees did in regard to the torpedo appropriation?

Mr. POINDEXTER. The Senator from Rhode Island is familiar with the provisions in the bill. He will remember that there was an item of $903,000 added to the appropriation for ordnance, relating to antiaircraft guns and fire control of antiaircraft guns on the battleship *Maryland*. That was taken out of the appropriation for increase of the Navy. But in taking that amount from the appropriation for increase of the Navy, the allotment of $10,000,000 allowed to ordnance was not changed. So the conferees took the view that that left a margin of $903,000 for ordnance, a large portion of which could be used for the manufacture of torpedoes. Therefore the special item of $550,000 was dropped.

Mr. GERRY. I shall not object to agreeing to the conference report, but I wish we might have kept that item in the bill.

Mr. POINDEXTER. We tried to keep it in, but were unable to do so.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

PRICE OF RUBBER.

Mr. McCORMICK. Mr. President, I have a report prepared by the Department of Commerce with reference to the British colonial restriction of the production of rubber and the increase in price to the American consumer, which is so grave and of such general importance that I ask unanimous consent to present it for incorporation in the RECORD, and in eight-point type.

The VICE PRESIDENT. Without objection it is so ordered.

The report is as follows:

EFFECT OF BRITISH COLONIAL RUBBER RESTRICTION LAWS.

INTRODUCTION.

Until 1900 wild rubber was the sole source of supply. The increased demand, largely on account of the development of motor cars, has resulted in 95 per cent of the world's supply of rubber being produced on plantations located in the Federated Malay States and Ceylon and in the Dutch East Indies. More than 72 per cent of this plantation rubber is grown in the British colonial possessions. An additional 8 per cent is controlled by British capital. The relative importance of wild and plantation rubber is shown by the estimated production for 1922 of 340,000 tons of plantation rubber as against 23,000 tons of wild rubber.

The plantation industry was enormously prosperous from 1910 until 1920. Following the business depression of 1920 and 1921, demand fell off, stocks accumulated, and prices went down. For a time cost of production exceeded the market price.

ENACTMENT OF RESTRICTION LAWS.

The British Government in October, 1920, appointed a committee to investigate the condition of the plantation industry, now known as the Stevenson committee. This committee was composed of British Government officials, plantation company directors, and rubber growers. There was no real representation of the manufacturing side. Despite the committee's failure to secure like action by the Dutch Government, it recommended in October, 1922, the adoption of colonial laws restricting exportation of rubber. These were approved by the British colonial secretary and adopted by the British colonies, effective November 1, 1922. The announced purpose of the laws was twofold: First, to restrict production to absorb what they thought was an excessive surplus of crude rubber stocks; and, second, to restore the market price so that plantations could produce at a profit.

BRIEF OF THE LAWS.

An export tax is the means used to restrict production. "Standard production" is fixed as 1920 production—335,000 tons—as found by the Stevenson committee. Exportations up to 60 per cent of standard production bear a nominal duty—1½ cents gold per pound, exchange at par. Hereafter our figures will be in gold based on exchange at par. If exports exceed 60 per cent of 1920 production, each and every pound from the first to the last exported in the year thereupon is subject to the prohibitive duty as shown by the following table:

Exportation over 60 per cent of standard production.

DUTY PER POUND.	Cents.
Over 60 per cent but not exceeding 65 per cent	7.94
Over 65 per cent but not exceeding 70 per cent	9.94
Over 70 per cent but not exceeding 75 per cent	11.92
Over 75 per cent but not exceeding 80 per cent	13.91
Over 80 per cent but not exceeding 85 per cent	15.90
Over 85 per cent but not exceeding 90 per cent	17.89
Over 90 per cent but not exceeding 95 per cent	19.87
Over 95 per cent but not exceeding 100 per cent	21.86
Over 100 per cent	23.85

The governor in council is charged with the administration of the act, and the law provides that he may increase the percentage of standard production that may be exported at the minimum duty. The governors have announced that they will follow the recommendation of the Stevenson committee in this respect, which was that if a market price of 30 cents gold was continuously maintained for any quarter—November, 1922, to January, 1923; February–April, 1923, and so forth—the minimum would be raised for the ensuing quarter from 60 to 65 per cent; if a price of 36 cents gold was continuously maintained for any quarter, the minimum would be raised for the ensuing quarter from 60 to 70 per cent. Likewise, the percentage may be reduced 5 per cent if a price is not so maintained at more than 24 cents gold.

RUBBER PRODUCTION.

No rubber is transshipped through the Dutch East Indies, owing to an import tax. The figures used for the Dutch East Indies are, therefore, export figures. For the Malay Peninsula actual export figures can not be obtained, but we use the estimate below as being very nearly correct. For Ceylon the figure of domestic exports is used. For the smaller areas estimates of the Statist are used to show 1920 production. Figures of rubber are shown in long tons:

	Tons.
Malay Peninsula (minus transshipments)	187,500
Ceylon (minus transshipments)	39,500
Dutch East Indies	88,800
ndia	6,400
Borneo	4,100
Sarawak	1,600
Indo-China	3,100
Total	331,000

EFFECT OF RESTRICTION SCHEME IN PRODUCING SHORTAGE IN WORLD STOCKS OF RUBBER.

According to the Stevenson committee, production of plantation rubber during 1920 totaled 335,000 tons. According to the detailed figures shown above, 68.6 per cent of the 1920 plantation production was in British Malaya and Ceylon. On the basis of the Stevenson committee's estimate this gives 230,500 tons as the amount subject to restriction in the British colonies. Allowing, say, 24,500 tons—Statist, 29,700 tons—additional for rubber produced from new areas, we have a total of 255,000 tons subject to restriction.

In 1923 we could expect 90,000 tons of rubber from the Dutch East Indies, unrestricted. It is estimated that 30 per cent of the plantations there are British controlled, and it is claimed that 84 per cent of that 30 per cent have agreed, with conditions, to voluntarily participate in the scheme. This adds 22,680 tons subject to restriction, making a total of approximately 277,500 tons.

Stocks available January 1, 1922.

		Tons.
Stevenson committee		[1] 310,000
Production first nine months 1922—Rickinson		273,600
		583,600
Consumption first nine months of 1922—rubber division:		
Retained in United States	210,000	
Estimated consumption, other countries	93,000	
		303,000
Available stocks Sept. 30, 1922		280,600

[1] Note that stocks were reduced by 30,000 tons, unless stocks were increased in consuming countries. This is not likely for any countries except the United States, Japan, and France.

STOCKS AVAILABLE NOVEMBER 1, 1922.

It may be assumed that during October, 1922, there was little change in the position of stocks. The position on November 1, 1922, then, was:

	Tons.
Stocks, Nov. 1, 1922	280,000
1923 world requirements from plantations (conservatively estimated)	359,000
Unrestricted plantation production (restricted areas, 277,500; unrestricted areas, 77,500)	355,000

Since prices have not been maintained in the first quarter—November 1, 1922, to January 31, 1923—at 30 cents gold per pound, there can be no further increase of the minimum percentage of production before the end of the second quarter, viz, May 1, 1923. Therefore, production, November 1, 1922, to May 1, 1923, will remain at 60 per cent of standard.

Stocks available May 1, 1923.

		Tons.
Nov. 1, 1922, to May 1, 1923, world's requirements of plantation rubber		178,500
Six months' production, restricted areas, 60 per cent of one-half of 277,500	83,250	
Six months' production, free areas, one-half of 77,500	38,750	
		122,000
		56,500
Reduction of stocks, November, 1922, to May 1, 1923:		
Stocks, Nov. 1, 1922	280,000	
Reduction of stocks by May 1, 1923	56,500	
Stocks May 1, 1923		223,500

The Stevenson committee used eight months' stocks as the necessary surplus. The Rubber Association of America estimates that six months' supply is sufficient. If the Stevenson committee's figures are used, we have the following position:

Eight months' necessary stocks	239,333
Shortage May 1, 1923	15,833

If we assume that the price after May 1, 1923, rules at 36 cents or above, 10 per cent additional releases will occur at regular quarterly periods. The world quarterly requirements of rubber from the plantations will be 89,750 tons. The position of stocks at ends of various quarters will then be as follows:

	Tons.
Stocks May 1, 1923: A 10 per cent release, making 70 per cent (67,937 tons), 21,813 tons less than needed during the quarter	223,500
Stocks Aug. 1, 1923 (deduct 21,813), a 10 per cent release making 80 per cent (74,875)	201,687
Stocks Nov. 1, 1923 (deduct 14,875)	186,812

Thus, November 1, 1923, the available stocks will have been reduced to but six months' supply, whereas eight months is taken by the Stevenson committee as a necessary supply to do business. This is on the assumption of maximum releases under the Stevenson plan. There is no allowance for increased demand to meet an estimate of 2,000,000 additional automobiles in 1923, nor for new uses for paper manufacture and other purposes now being experimented with.

The price of crude rubber was at its high point in 1910, when it exceeded $3 per pound. In 1913 the average price for plantation crêpe was 72 cents; in 1914, 55 cents; 1915, 60 cents; 1916, 68 cents; 1917, 67 cents; 1918, 55 cents; 1919, 50 cents; 1920, 46 cents; 1921, 20 cents; and for the first 10 months of 1922 it averaged about 15 cents in the London market.

The reasons for the passage of the law seemed to be disappearing at the time of its enactment, as the surplus stocks of rubber had apparently been decreased by about 30,000 tons in the preceding nine months. The resumption of manufacturing is absorbing the surplus feared by the Stevenson committee. Published reports of investigators who visited the estates this year and financial statements of the plantation companies indicate the cost of production has been adjusted to lower price levels, permitting adequate profit with prices at 24 cents. Reliable information available warrants the belief that rubber is now being produced at a cost of 11 cents seaboard in the Far East on some of the plantations. No capital charges are included in these costs, however, and such charges would frequently be fairly heavy as the plantations were capitalized during the boom period, and there has in many cases been a considerable watering of stock. An American company which owns a plantation of 45,000 acres in the island of Sumatra ceased tapping operations in June, 1921, when the price of rubber was 16½ cents, and stated that it would leave the trees on its own plantation untapped as long as rubber could be purchased in the open market cheaper than it could be produced. The company has not resumed tapping as yet.

An economic price for rubber has a great influence upon the development of highway transportation. In this field rubber is a necessity, and if the cost is not prohibitive, the volume required will be greatly increased.

WORLD WAR DEBT FUNDING COMMISSION.

Mr. HEFLIN. Mr. President, I note in the Washington Post of this morning an article the headlines of which read as follows:

Would repay debt by trade balances.
British chancellor outlines his country's program to meet obligations to America.

There is another article in the Washington Post regarding the appointment of a Justice of the Supreme Court of the United States. The closing paragraph of that article reads:

President Harding spent some time yesterday afternoon in conference with Secretary of the Treasury Mellon and Senator SMOOT discussing the funding of the British war debt to the United States.

I promised on yesterday again to bring this matter to the attention of the Senate and the country to-day.

Mr. President, actual negotiations have begun for the funding of the British debt to the United States. The envoys of Great Britain are in the Capital; the members of the debt commission who were appointed by the President are meeting with them day after day. They are solemnly discussing the question of settling the terms of the payment of the debt between the Government of Great Britain and the Government of the United States. The people of the United States are represented in Congress by two great political parties. Those two parties are supposed to speak for the whole American people. The present minority party and the people represented by it, however, are not represented on the debt commission. I submit that that is a denial of common justice to the Democratic Party and a rank outrage upon the American people.

Mr. President, to our utter surprise the President failed to appoint a single Democrat on the debt commission. I protested against that action. My friend, the Senator from Georgia [Mr. HARRIS], introduced a bill looking to giving us representation, and that bill was referred to the Committee on Finance some three weeks ago. The Senator from Georgia has worked persistently to have that bill favorably acted upon, and I have been cooperating with him to the end that we might have the bill reported out, brought before this body, and speedily passed and sent to the other House for early action.

Who can deny that it is right and just that the Democrats should be represented upon the debt commission.

What does the article to which I have referred state? It states that the President was in conference with the Republican Secretary of the Treasury and with a Republican Senator, who is a member of the debt commission, quietly discussing the matter among themselves, with no Democrat present to participate in the discussion and to know what was the nature of the negotiations. I do not care what party should undertake to do such a thing; if my own party should do it, I would condemn it. No party has a right to take over negotiations in reference to a debt which is due to the whole American people, and handle the matter as it would a private campaign fund which was contributed to that party for the purpose of attaining party success. The American people are entitled to know what is being said in the sessions of the debt commission; everything in reference to the matter ought to be in the open; there is no occasion for secrecy. The debt is owed to the American people, and they are entitled to know what is being done day after day looking to its collection.

I do not know what are the best methods to employ in the collection of the debt. I wish to do that which is the very best that can be done; I do not want to be hard on our allies; I want us to be fair to them and at the same time I want us to be entirely fair and square with the American people. I do know, as I said on yesterday, that the American people are tax burdened and debt ridden, and that if we can speed up the collection of the debt which is due us and secure the payment of some of it we can reduce taxes on our own people and accomplish great good in the affairs of our own people here at home. Charity should begin at home. That doctrine is sound politically as well as good religiously. I think we ought to be just to our own people before we undertake to be generous to other peoples.

On yesterday, Mr. President, after I had discussed this matter, I suggested to the Senate that on to-day I should feel it my duty to take some steps toward discharging the committee from the further consideration of the bill of the Senator from Georgia, to which I have referred. I made that statement because my friend from Georgia, who is the author of the bill and has been working so enthusiastically and persistently to have it favorably reported by the committee, had been temporarily called from the Chamber. I see the Senator from Georgia is now on the floor. I do not want to take any steps in the matter without conferring with him, for I am trying to cooperate with him and to help him to secure the object he desires to attain by the passage of the bill.

Mr. HARRIS. Mr. President, I am very glad to have the help of the Senator from Alabama and of other Senators in the effort to secure the passage of the measure which I have introduced providing for Democratic representation on the World War Debt Funding Commission. While I am anxious for this bill to be passed as early as possible, I have no complaint, Mr. President, on account of the delay which has ensued in connection with the measure. The chairman of the committee to which the bill was referred has twice called the committee together to consider it, but during the Christmas holidays the chairman and so many Senators, both Democrats and Republicans, were absent that he was unable to obtain a quorum, and on Saturday last had a similar experience. The chairman of the committee has again called a meeting for to-morrow morning at 10.30 o'clock to consider the bill. I have seen a majority of the members of the committee, who promise to be present and pass on the measure, and I feel sure they will make a favorable report.

I should like to say further that every member of the committee on the other side of the Chamber with whom I have discussed the question and a number of Republican Senators not members of the committee have assured me that they would support the bill. I have no complaint whatever of the chairman of the committee or members of the committee.

I introduced it on December 18, and Congress was not in session several days afterwards on account of Christmas holidays; to-day is the 9th of January. The chairman and other members of the committee, both Republicans and Democrats, were absent for a few days. I have been doing my very best to secure consideration of the bill; the chairman of the committee has likewise done his best; and I imagine that there are very few bills which have been considered so promptly as this bill will have been by to-morrow morning when the committee will pass upon it. So far as I know, this is the only bill of its kind that has been introduced. I regret that the President ignored the Democrats in making his appointments on this commission. My measure was not introduced in a partisan spirit; it was intended to prevent anything of the kind. I realize that the solution of this financial question—the greatest that will perhaps come before Congress within a century—may not be a popular one; the country may be disappointed in our efforts to collect these debts, and it might be better from a partisan Democratic standpoint to let the commission remain a partisan one, composed entirely of Republicans, but this is too important a matter to our country to let politics enter into its discussions. I believe that if Democratic Members of the Senate and House were named by the President as members of the Debt Funding Commission, to serve with the Republican members already appointed, making it a nonpartisan commission, their recommendations to Congress would be considered without partisan discussion.

Mr. HEFLIN. Mr. President, I shall not make the motion which I suggested yesterday, in view of the statement of my friend from Georgia; but I submit that there is ground for complaint against the committee, and I lodge that complaint myself. I am interested in the bill of the Senator from Georgia the same as if I were its author. I could offer an amendment myself to the proposal; but I am supporting the measure introduced by my friend from Georgia, and I submit that the committee ought to have acted before the Debt Funding Commission commenced negotiations with the representatives of Great Britain. The Democratic Party ought to have had representation on the commission before any meeting was ever held. That is the point I am making. I do not want to wait until the administration has quietly made known its position on this matter to the foreign envoys. Negotiations are already under way in this very important matter. It is no small affair, for it involves $12,000,000,000 owed to the whole American people.

If the Republican Party, which formerly declined outright to put any Democrat upon the Debt Funding Commission, now has agreed to take action upon the measure to-morrow, that is better than no action at all; but the attitude of the Republican Party has been that the Democratic Party was not to have any representation upon that commission. The Republican Party flatly declined to give us representation upon that commission. We are entitled to such representation; and I am going to continue to demand it till we get it. I want action upon the measure of the Senator from Georgia, and I am entitled to have it; the Democratic Party and the country are entitled to have it; the whole American people are entitled to have it. I do not intend so long as I am a Member of this body that any party shall treat a debt owed to the whole American people as a debt due to the campaign committee of that party. I do not intend that any party shall conduct negotiations regarding that indebtedness, amounting to $12,000,000,000, behind

closed doors and discuss it in a way that nobody but the leaders of that party shall know what is going on. That is my position in short. There is not anything so powerful in this country as public opinion in action, and the way to reach that public opinion is to give it the truth, and then it can be formed and action will be obtained.

I say again in conclusion that it is an outrage that the Democratic Party of the United States has not already secured representation upon the Debt Funding Commission, and we are going to have representation upon that commission or know the reason why. This matter is not a matter to be handled singly and solely by the representatives of the Republican Party; it is a United States matter and the two parties charged with the operation of the Government are entitled to be present through their representatives when negotiations are had.

It may be that some Democrat might be appointed a member of the commission to whom I would not agree, but the Democratic Party is entitled to have representation on it, and I reserve the right to fight the confirmation of anyone whose name may be suggested that I do not believe would be wholeheartedly in favor of doing what the American people want done toward collecting the debt of $12,000,000,000 owed to them and not to the leaders of the Republican Party.

Mr. BURSUM. Mr. President——

Mr. HEFLIN. I yield to the Senator from New Mexico.

Mr. BURSUM. Is it not true that the Congress has definitely defined the powers of the Debt Funding Commission and that their duties are purely administrative, and that there is no power within the scope of the authority given the commission to do other than follow the direction which has already been given by the Congress?

Mr. HEFLIN. Mr. President, the Congress did say that they could defer payment for no longer a period than 25 years, I believe, and that they would not permit them to fix an interest rate less than 4½ per cent, I believe; but I do not know what is being cooked up to be served in another Congress. I do not know what sort of a propaganda is going on behind closed doors. Another effort may be made later on to unloose these restrictions that we have got around it, and this secret debt commission may come in with a report and advocate the cancellation of the debt and submit it to another Congress and say: "These are our findings." I want some Democrat on that commission, so that he will know whether those findings are correct. I repeat, it is right and just and just common honesty that the Democratic Party should be represented on that debt commission.

Already they are saying that they have not power enough. Already they are saying that Congress must untie their hands. Untie them? If you are going to keep this a partisan commission, I am in favor of hamstringing them—not only tying their hands, but I would hog tie them. I do not propose to have five partisans of any party sit down and say what shall be done with a $12,000,000,000 debt.

There are a lot of people in this country who think now that some of these international bankers, if they can force the cancellation of this debt, will get two and a half billion dollars in commissions for persuading the American people to cancel it. What an outrage upon common decency to appeal to the sympathy of the American people to forgive this debt, to cancel it, and then turn around to those interests and say, "We got it canceled; where are our commissions?" Why, there will be a scandal in this thing that will smell to high heaven before it is over.

Put some Democrats on that commission—real Democrats, Democrats who represent the people—and let them work together, and if the Republicans submit a proposition that is right and just, let them agree to it. If they do not submit such a proposition, let them antagonize it. Let the American people know their viewpoint as contrasted with the viewpoint of the Republicans.

Mr. BURSUM. Mr. President, is the Senator from Alabama entertaining some fear that he may be converted to the proposition of passing a bill canceling this debt?

Mr. HEFLIN. No, sir; not the Senator from Alabama.

Mr. BURSUM. It can not be done without legislation.

Mr. HEFLIN. Plans can be discussed and ways and means suggested without legislation.

Mr. BURSUM. Why does the Senator think some other people might be converted, then?

Mr. HEFLIN. I am like the old Quaker's wife who said, "I am satisfied so far as I am concerned, but I am not so sure of John." [Laughter.] So, Mr. President, I am sure about myself in this matter, but I do not know what my friend from New Mexico would do under partisan pressure and partisan exigencies. I simply want my party represented on this commission. It is simply a matter of right. I pointed out yesterday that we had a committee of five in this Chamber to look after the contingent expenses of the Senate, and they even put two Democrats on it to safeguard that situation.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. HEFLIN. I yield to the Senator.

Mr. McCUMBER. Mr. President, I simply desire to say that the Senator from Georgia [Mr. HARRIS] correctly stated the status of the bill. In all cases these matters are first referred to the department for any suggestions that the department may make. In the case of this particular bill, as I explained to the Senator from Georgia, I will admit that through inadvertence there was a little delay in sending down the letter of inquiry. As soon as I ascertained that fact I sent it down by special messenger, asking for a speedy report, and I called a meeting of the commmittee for last Saturday. I was unable to secure the attendance of more than two or three Senators at that meeting. Therefore I called a meeting for to-morrow morning. At to-morrow morning's meeting I hope not only that we shall have a quorum, but that we shall be able to dispose of the bill and report it back to the Senate.

Personally I agree with the Senator from Georgia that the personnel of the commission should be increased—not that I think it would do any good to increase it under the present law, because the commission is so tied hand and foot by the law itself that there is little it can do in the settlement of any matter. Personally I think we should give the commission more leeway, and especially with reference to the rate of interest and the time within which payments may be made; but that would have to be done by another bill. I agree with the Senator from Alabama, however; I think there should be an increase in the personnel. The Members of the House and the Senate who are on that body have their work to do here, and I should like to see on that commission some good, strong men outside of Congress and outside of those who are at present holding political offices; and if we increase the number I should not object if all of them were good Democrats. I do not think it is a partisan question at all. I think it is purely an American question and that we should select the best and most capable men for the positions.

I can only say in reply to the Senator that we hope to report the matter out at a meeting to-morrow if I can possibly get one together.

Mr. HEFLIN. Mr. President, I am very glad to have that statement from the chairman of the committee; but I call the attention of Senators who are present to the changed attitude upon this matter of some Senators. When I discussed this matter some days ago I called upon the Senator from Utah [Mr. SMOOT], himself a member of the commission, to know if he favored our having representation upon that commission, and the profound answer made by the Senator from Utah was that he did not propose to contribute to a filibuster. Now the chairman of the committee, the Senator from North Dakota [Mr. McCUMBER], very frankly states that he is favorable to this proposition. It looks now as though we are going to get favorable action upon it. That is all I want. I want action. I do not want any postponement. I do not care to discuss it, except to get the facts about it in the RECORD, so that the people of the country may know.

I repeat, this is no small concern. The Senator from North Dakota suggests that they should have more power. Well, there you are. We thought it was best to put certain restrictions around that commission. I still think it is right to restrict their activities. I want to know what is being said up there. Suppose some fellow there says, "Well, I would favor cancellation, but the Democrats are not in favor of it," do you suppose they would work very hard to start paying this debt? Not a bit of it. What would they hope to do? To get it deferred; to let them dally with it, play with it, with nobody but the Republicans in conference with them knowing what the plans and purposes are, and they could give to the public one idea as to what ought to be done and be talking another way behind the screen. That is not going to happen if I can prevent it.

So I have no more to say, after the statement of the Senator from North Dakota, the chairman of the committee. I await the action of the Committee on Finance.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R.

13615) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1923, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. KELLEY of Michigan, and Mr. BYRNS of Tennessee, were appointed managers on the part of the House at the conference.

SECOND DEFICIENCY APPROPRIATION BILL.

The PRESIDING OFFICER (Mr. ROBINSON in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 13615) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1923, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WARREN. I move that the Senate insist on its amendments disagreed to by the House of Representatives, agree to the conference asked for by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN conferees on the part of the Senate.

TAXATION OF NATIONAL BANKS.

Mr. KELLOGG. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 11939. It is a bill just reached yesterday on the Calendar, and provides a rule for the taxation of national banks. It is very important, because many of the tax systems of the States will be invalidated unless this bill is passed very soon, and the legislatures of the States are now in session.

Mr. ROBINSON. Mr. President, may I ask the Senator from Minnesota if this bill is unanimously reported from the Committee on Banking and Currency?

Mr. KELLOGG. The bill was, I believe, unanimously reported from the committee. I do not think there was any objection to it by the committee. It was discussed a long time before the subcommittee, and then discussed before the full committee, and hearings have been had upon it which have lasted for months; and I think the bill, when reported, was unanimously reported. The chairman of the committee can correct me if I am wrong.

Mr. KING. Mr. President, will the Senator yield?

Mr. ROBINSON. Yes.

Mr. KING. As I understand there is some disagreement among the members of the committee, if not with respect to the bill itself, certainly with respect to an amendment which the Senator from Minnesota has offered, or expects to offer.

Mr. KELLOGG. I understand that the committee this morning reported a provision for ratification of past taxes which have been declared illegal under the act of Congress, and has authorized the Senator from Pennsylvania [Mr. PEPPER] to offer it as an amendment to this bill; so I do not think there is any disagreement in the committee on that subject. At least I should like to have the matter brought up and considered a while during the morning hour, and then, if any Senator wants it to go over, it can go over. I should like to have the Senator from Pennsylvania make a statement on it. He is in charge of the bill for the committee.

Mr. ROBINSON. Mr. President, I was just about to suggest that the Senator who sponsors the bill, the Senator from Minnesota himself, should also make a statement in explanation of its provisions and purposes. Then the Senate in all probability will be in a position to know whether it desires to proceed at once with its consideration or to defer it.

Mr. KELLOGG. I should be very glad to do it, only I thought I should yield to the Senator from Pennsylvania, who is present, to present it first, and I shall be very glad to supplement anything he has to say if the unanimous consent is granted.

Mr. KING. Mr. President, with the understanding that the request of the Senator goes no further than what he has just stated, namely, that the bill be discussed, and if any Senator later shall feel that he would like further time for consideration——

Mr. KELLOGG. If Senators wish further time, I certainly would not insist on its being disposed of this morning.

Mr. KING. I should be very glad to have it discussed for a while.

Mr. KELLOGG. I would not ask to go beyond the morning hour anyhow, on account of the appropriation bills.

Mr. SMOOT. Mr. President, I should not like to have it disposed of to-day. I have a great many letters at my office in relation to this bill, some of them criticizing it most severely, and I should not want to have it passed upon to-day. I have no objection to discussing it, but I do not want it passed upon.

Mr. KELLOGG. It will have to be discussed at some time, and I should like to have the discussion started this morning.

The VICE PRESIDENT. Is there objection to proceeding with the consideration of the bill?

Mr. SMOOT. With the understanding that it is not to be acted upon this morning, I have no objection.

The VICE PRESIDENT. The rules provide that an objection may be made at any time.

Mr. SIMMONS. Mr. President, do I understand that we are simply to take it up for the purpose of having an explanation, and then it is to be laid aside?

The VICE PRESIDENT. It can be taken up by unanimous consent, and then, after taking it up, any Senator can object to its further consideration.

Mr. SIMMONS. Very well.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11939) to amend section 5219 of the Revised Statutes of the United States, which had been reported from the Committee on Banking and Currency with an amendment in the nature of a substitute.

Mr. PEPPER. Mr. President, this measure is an attempt to deal with a serious difficulty which at present exists in connection with the taxation by the several States of shares in national banking associations. These bodies, being agencies of the Federal Government, may not be taxed by the States excepting in accordance with such legislation as the Congress may from time to time enact. In section 5219 of the Revised Statutes Congress undertook to state the conditions upon which the States might tax the shares in national banks.

The language of section 5219, as it now stands, is far from clear. It is susceptible of either one of two different constructions. One construction is that the States may tax shares in national banks, provided the rate applied to those shares is no higher than the rate which the State applies to shares in its own banks and trust companies. The other construction is that the rate applied to the shares of national banks must be no higher than the rate which the State applies to any moneyed capital in the hands of individuals which, in fact, comes into competition with banks, National and State, even if it is not specifically embarked in banking business. Those are the two possible interpretations of section 5219 as it stands.

The former of those interpretations, namely, that the State will be within its power if its rate of taxation applied to national-bank shares is no higher than its rate applied to State banks and trust companies, is the one which, through a series of years, has been accepted by the legislatures of the several States, and taxes have been levied and assessed and collected in accordance with the theory that those taxes are valid, because in the instances to which I refer the rate of taxation was no higher than the taxing States were applying to their own banking institutions.

The Supreme Court of the United States not long ago, in 1921, to wit, decided that this conventional interpretation which had been acted upon by the States, and in accordance with which legislation had been passed, and under which many millions of dollars of taxes had been collected, was not the true interpretation of section 5219, and in a case coming up from the State of Virginia declared the true intent and meaning of section 5219 to be that the tax rate applied to national-bank shares shall not be higher than the rate applied to any moneyed capital in the hands of citizens of the State, even if not specifically embarked in banking business, if it should appear that in any way that capital came into competition with the national banks. It was admitted on the record in that case that the moneyed capital in the hands of individuals did come into competition with the banking business, and since the rate in the State of Virginia applicable to such moneyed capital in the hands of private people was lower than the rate applied alike to the State trust companies, banks, and national banks, it followed that the tax had been improvidently collected, and it was so decided.

Thereupon a serious situation was precipitated. Two questions arose for consideration; first, whether that interpretation placed by the Supreme Court upon section 5219 was an interpretation disclosing a condition of legislation satisfactory to the Congress and to the States, or whether it should be in some particular amended, either to conform to the old conventional interpretation, now set aside, or in some better way; and, in the second place, with regard to the large amount of tax money which had been collected by various taxing agencies or States throughout the Union, whether that money should be sued

for and recovered by the taxpayers on the theory that it was money paid under an invalid tax and therefore repayable to the taxpayer on suit or whether the National Government could take some steps by legislation to authorize the several States to validate the collections theretofore made, and to justify the retention of those collections in the face of demands for their return.

Those two questions were faced and dealt with by the draftsmen of several measures introduced into the House and introduced into the Senate. One measure, the bill which is now before the Senate for consideration, a House measure in its origin, dealt with both the problems, the problem, to wit, of a restatement of section 5219 to meet the difficulty created by the decision of the Supreme Court, and to fix the terms upon which taxation for the future should proceed; and also, with the validating provision, which undertook to authorize the States to pass legislation justifying the retention of moneys collected. A Senate bill was introduced by the Senator from Minnesota [Mr. KELLOGG] which likewise dealt both with the problem of revising section 5219 for permanent use, and also with the validating emergency.

These measures having been referred to the Committee on Banking and Currency, and adequately considered by that committee, it seemed to the committee that the two problems were diverse in their nature, one of them having to do with the permanent amendment to the legislation of the United States for all time to come in the field of State taxation of national banks, and the other of them being purely an emergency measure, to deal with the particular situation created by a single decision and the consequences that followed from it. It seemed therefore that it was desirable that these two different questions should come before the Senate in two different measures and should receive separate consideration.

Accordingly, it was determined by the Committee on Banking and Currency that the House bill should be amended by striking out all after its enacting clause, and that there should be substituted a provision which, in the judgment of the committee, satisfactorily deals with the subject of future taxation; and that the bill introduced by the Senator from Minnesota should be amended by striking out all after its enacting clause and inserting provisions converting it into a measure which would squarely bring before the Senate the question whether or not validating legislation was to be enacted. The House bill, with the amendment recommended by the committee, was accordingly reported out, and that is the measure now before the Senate for consideration.

It differs from section 5219 in the following particulars: Section 5219 provides that the taxation of national-bank shares by the several States shall not be at a higher rate than the rate applied by those States to moneyed capital in the hands of individual citizens, and that, as I have explained, has been interpreted by the Supreme Court to mean any moneyed capital, even if not engaged in the banking business, which comes in competition with the banks. That is section 5219.

The bill introduced by the Senator from Minnesota proposed to amend section 5219 by substituting the following test, that the rate of taxation applied by the State to national-bank shares should not be higher than the rate applied by the State to shares in its own State banks and trust companies.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Minnesota?

Mr. PEPPER. I yield.

Mr. KELLOGG. My bill provided that the rate applied by the State to national-bank shares should not be greater than the rate applied to all moneyed capital engaged in banking, whether it was in State banks, trust companies, or private banks—all capital engaged in banking.

Mr. PEPPER. The Senator is correct; I misstated the provision of his bill.

The proposal which the committee had under consideration when the House bill came before it was the one I had in mind, namely, that the test should be whether the tax imposed by the State was higher than the rate applied to its own banks and trust companies, and the Senator from Minnesota proposed to revise or amend that test by substituting the one which he has correctly stated, namely, the test of the rate applied by the State to any moneyed capital engaged in the business of banking, so that there should be no discrimination against national banks and in favor of State banks and trust companies or private bankers, even if not incorporated.

Objection was made to that test on the ground that the effect of it was to segregate banking capital, as such, as a possible target for discriminatory taxation; and in order to safeguard the test suggested by the Senator from Minnesota the committee has reported the following qualification to the test proposed, namely, not merely that the rate of taxation applied to national-bank shares shall not be higher than the rate applied by the State to capital engaged in the banking business in the State, but that it shall not be higher than the average of the rates applied by the State to shares in business, manufacturing, and commercial corporations. In other words, the danger apprehended from the test suggested by the Senator from Minnesota was that legislatures might be hostile to banking business as such, irrespective of whether it were banking business conducted under a national banking association or by a State bank or trust company or by a private banker, in which event there might be discriminatory legislation against the banks; and it was therefore thought that some further safeguard should be imposed which would protect banks of all sorts from that discrimination. The suggestion made by the committee is that that safeguard will be found by averaging the State tax rate on the shares of these other classes of corporations to which I have referred—business corporations, manufacturing corporations, and commercial corporations—and that the average of their rates shall be the limit beyond which the State can not go in taxing shares in national banks.

Mr. McCORMICK. Mr. President——

The PRESIDING OFFICER (Mr. MCLEAN in the chair). Does the Senator from Pennsylvania yield to the Senator from Illinois?

Mr. PEPPER. I yield to the Senator.

Mr. McCORMICK. Would it inconvenience the Senator at this point to explain, perhaps very briefly, how the average rate on corporations or capital other than banking capital would be determined?

Mr. PEPPER. It is extremely difficult to answer the question of the Senator, for the reason that the several States have divergent practices in regard to the taxation of the other forms of corporate activities. In some States no tax at all is imposed on capital invested in manufacturing. It is, therefore, provided in the measure reported by the committee that in case a State does not tax any or all of the corporations other than banks the average of the rates ceases to be the limit, and the only limit that is left is the one suggested by the Senator from Minnesota.

Mr. KELLOGG. Mr. President——

Mr. PEPPER. I yield to the Senator from Minnesota.

Mr. KELLOGG. If the Senator will allow me, the Supreme Court has already held that States may exempt real estate or manufacturing or other corporations, and that does not in any way invalidate the bank tax.

I might further add, in answer to the Senator from Illinois, that where a rate is proposed it is not difficult to find the average rate imposed in the State. It is done every day by tax commissions.

Mr. PEPPER. Mr. President, it is perfectly true, as the Senator from Minnesota has stated, that it is not at all difficult in the case of any particular State to find the average. I understood the question of the Senator from Illinois to be a general question as to what the States as a whole have done in the matter, and my answer to that was that I could not make a statement applicable to all the States because they have dealt with the problem differently. But I quite agree that in any one State it is quite easy to state the average rate and apply it as a test under the terms of the bill.

Mr. KELLOGG. I might add that the limitation applies to each separate State.

Mr. PEPPER. This is a measure, as the Senator has explained, which will have a particular application to each of the several States, and it is adjustable to the policy of each State in respect of its various types of corporations.

Mr. President, summing up briefly, we have now on the statute books a section of the law susceptible of two interpretations. The interpretation placed upon it by the Supreme Court is out of harmony with the interpretation which in the past has been accepted and acted upon. It is deemed by the committee to be an unfortunate interpretation, not in the sense that it may not be the right interpretation of the language as drawn, but that it furnishes a poor basis upon which to build up the tax laws of the States in the future. Therefore, the question is, What shall we substitute for section 5219? As between the various tests which have been suggested, it has seemed to the committee that the best one is to limit the rate of tax which a State may impose upon national-bank shares by adopting the safeguard that it shall not be greater than the rate applied by the State to any money engaged in the banking business, whether in the hands of incorporated banks, trust companies, or private banks, superseding a further safeguard by providing that if a State taxes manufacturing, business, or com-

mercial corporations at a rate or at a series of rates of which the average is lower than the rate applied to bank capital, that then, so far as national banks are concerned, that lower average rate applied by the State to the other corporations shall be the limit of the exercise of its taxing power.

The report of the committee deals with two or three other matters which may be mentioned merely to dispose of them. Section 5219, the present section, seems to contemplate primarily the form of taxation——

Mr. SIMMONS. Mr. President——

Mr. PEPPER. I yield to the Senator from North Carolina.

Mr. SIMMONS. Before the Senator leaves the matter I would like to ask him a question. Suppose the rate imposed by the State upon the capital of State banks were higher than the rate imposed by the State upon its corporations engaged in other than the banking business, would the bill in the form in which it is presented mean that the State could only tax the shares of national banks to the amount of the lower tax, assuming that the tax on corporations be lower than the tax on State banks? In other words, to make myself clear, suppose the tax imposed by the State on money invested in corporations was lower than the tax imposed by the State on money invested in its State banks; would the power of the State to tax national-bank stock be limited to the lower rate?

Mr. PEPPER. Yes; that is to say, the object of the provision in the measure before the Senate for ascertaining the average rate applied by a State to corporations other than banking corporations of the classes enumerated is to afford a safeguard against what by many is apprehended as a real danger, that if we leave no other check on the State's power to tax national-bank shares than the limit of what it does in the case of State banks and trust companies, we would be segregating banking capital, as such, as an object of hostile taxation. This is an attempt to guard against that danger by providing that if in any State legislation discriminatory against banking capital and in favor of the other classes of corporations shall be resorted to, then, so far as national-bank shares are concerned, the rate applicable to the other classes of shares shall be the applicable rate and not the rate applied by the State to other banking capital.

Have I made my answer clear to the Senator from North Carolina?

Mr. SIMMONS. It is entirely clear; but it seems to me that very method might possibly bring about discrimination, and a very glaring discrimination, in the tax imposed upon money invested in national banks and the tax imposed upon money invested in State banks.

Mr. LENROOT. Mr. President——

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I would like to ask the Senator with reference to his construction of the proviso (b). Assuming that shares of a mercantile corporation under the laws of a State are left to be valued by local taxing officers and that they take the local taxing rate, how would that average value be determined under the provisions of the bill?

Mr. PEPPER. The language of the section is so drawn, if the Senator will notice, as not to be applicable only to direct action by the State but to any taxation of those classes within the taxing State, thus covering the cases in which the taxing shall actually be done by a taxing subdivision of the State.

Mr. LENROOT. But my point was how was the average value to be determined without valuing every share of stock in the State?

Mr. PEPPER. It is a mere mathematical calculation to ascertain in any given State what is the average of the rates of tax in force within that State applicable to corporations of the classes specified.

Mr. LENROOT. That is, irrespective of the value of the property?

Mr. PEPPER. Yes; irrespective of the value of the property.

Mr. FLETCHER. May I suggest to the Senator that the language is not "the average rate," but "the average of the rates."

Mr. PEPPER. Yes; the average of the rates.

Mr. LENROOT. How would that average be arrived at? If there were 70 counties in the State, would it be necessary to take all the municipalities and add together the different rates and then divide by the number?

Mr. PEPPER. If it were to be imagined that there was in any State a varying number of rates in different parts of the State applicable to the shares—let us say, of manufacturing corporations—then it would be necessary.

Mr. LENROOT. There would be such necessity in every case where they were valued by a local taxing agency to take the local tax rate, would there not?

Mr. PEPPER. In every case where the taxing is done by a local body and not merely the local appraisement for the purposes of taxation. In every such instance we would establish a factor which would have to be taken into consideration in striking the average.

Mr. LENROOT. Now, may I ask one other question? Does the Senator think that rate would be for the current year in which the bank rate is to be applied or would it be for a preceding year? The language seems to be silent upon that subject. It could not be the current year, of course.

Mr. PEPPER. That is to say, whether the average, if there was a difference, should be the preceding year or the year in which the tax is made?

Mr. LENROOT. It would have to be the preceding year to make it workable at all.

Mr. PEPPER. I should think it would be the last average ascertainable under the last preexisting State legislation.

Mr. LENROOT. I think so. Does not the Senator think that should be cleared up?

Mr. PEPPER. I think if it needs clarification it certainly ought to be.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

Mr. PEPPER. Certainly.

Mr. POMERENE. Has the bill been reported yet which looks to the validating of the taxes which have been imposed?

Mr. PEPPER. The validating part of the program has not been entered upon yet; but I am credibly informed that at the proper time the Senator from Minnesota [Mr. KELLOGG] will move, as an amendment to the pending measure, the validating provision which has been under consideration by the committee; and if and when that is done I am authorized by the committee to make no objection to the addition of the amendment in order that it may be considered by the Senate at the same time the principal question is considered.

Mr. POMERENE. If the Senator from Pennsylvania does not object, I would like to ask two or three questions along that line.

Mr. PEPPER. May I ask the Senator whether he is going to deal with the validating feature?

Mr. POMERENE. Yes.

Mr. PEPPER. Would it be agreeable to the Senator to allow me in a sentence or two to conclude what I have to say about the other part of the measure?

Mr. POMERENE. Certainly.

Mr. PEPPER. I suggest that because the proposed revision of section 5219 now before the Senate deals not merely with the point which we have so far discussed, namely, the limitation upon the power of the State in taxing shares, but it makes clear what in the judgment of the committee needed to be made clear, namely, that provision should be made for the case in which a State desires to tax, not the shares as shares, but the income of the banks under some form of corporate income tax or, in the alternative, to include dividends received from the shares in the taxable quota of the property of a citizen taxable as his income under a State income tax law. So the measure before the Senate deals not only with the taxing of shares as shares but it comprehends also the case in which the State may desire to tax the income of a national bank and the case in which the State may desire to include dividends upon shares in national banks in the taxable income of the citizen, the provision being that any one of those forms of taxation of national-bank shares shall be in lieu of the others.

This, Mr. President, completes the summary statement of so much of the problem as has to do with the permanent basis of State taxation of national-bank shares.

Mr. POMERENE. Mr. President——

Mr. PEPPER. I yield to the Senator from Ohio with regard to the validating proposition.

Mr. POMERENE. Mr. President, I wish to ask these questions now in order to obtain an expression from the Senator from Pennsylvania, who has given a great deal of thought to this subject. Before asking the questions I desire, however, to make a preliminary statement.

Of course, those who sponsor the validating provision which will be offered do it on the theory that under the recent decision of the Supreme Court taxes which have been levied against national banks by the State or local subdivisions of the State are illegal, and it is proposed by the Congress of the United States to permit, so far as it can, the State legislatures to pass laws which will validate those illegal taxes.

Now, I wish to submit to the Senator from Pennsylvania two questions. First I wish to say that for a number of years the Congress of the United States has been passing appropriation bills authorizing the refunding to taxpayers of taxes which

have been illegally exacted and collected; in fact, on yesterday, in the deficiency appropriation bill which was passed by the Senate we provided for the refunding of $43,000,000 of taxes which had been illegally exacted by the Treasury Department. Now, query: If the Congress feels that it can not in good conscience keep the money which has been illegally exacted by the executive department of the Federal Government, how can the Congress of the United States in good conscience say to a State, "So far as the Congress of the United States is concerned we are quite willing that you shall retain your illegal exactions from the taxpayers in the State"? That is the first question.

The second question on which I should like to hear the Senator from Pennsylvania is this: Assuming that it is good policy thus to say to the State, "You may keep these taxes so illegally collected," has the Congress the constitutional power to say to a State, "You may validate these illegal exactions"; or, to put it in another way, has the Congress of the United States any authority under the Constitution to legislate upon the subject looking to the validation of the tax?

Mr. PEPPER. Mr. President, I shall answer those two questions in this way: Reminding the Senator from Ohio that the question of validating legislation is not really before the Senate at the moment and that his questions are anticipatory of an amendment which I believe the Senator from Minnesota [Mr. KELLOGG] intends to propose on this subject, speaking for myself, I have very grave doubt about the propriety of so-called validating legislation. The limit to which I should be willing to go, if I should be willing to go even so far, is to recognize that the question whether or not such taxes should be retained or refunded is a local question in each State, to be settled by the legislatures and the courts thereof.

As to the second question, I desire to say that I can think of no ground upon which validating legislation by a State could possibly be constitutional, if it be the true view that the States have no power to lay taxes upon national bank shares unless Congress delegates such power. Upon that view, when the State acted it was without power to tax and the so-called tax was an illegal exaction and should be recoverable. I think it would be unconstitutional to take away the right of recovery.

But there is another theory, applicable in the judgment of some authorities, namely, that the State has the original power to impose such taxation, and that the only reason that the taxing law was invalid was not on account of a defect of power but because presumably any such tax laid by a State is hostile to an agency of the Government of the United States. It is a fair question upon which lawyers may disagree as to whether upon such a view a State may act under the declaration of the Federal Government that no such hostility of purpose is involved and proceed to declare that the passage by the State of a so-called validating act, justifying the retention of the tax by the State, will not be deemed an act hostile to, or inimical to the interest of, either the United States or any agency thereof.

I wish to make it perfectly clear, Mr. President, that in answering these questions as I have done I am not in any way committing myself to approving the proposed validating legislation, and I again call the attention of the Senate to the fact that that matter is not before the Senate at the moment and will not be until the Senator from Minnesota offers his amendment. He is more competent than anybody else that I know to state the reasons in support of it.

Mr. POMERENE. Mr. President, I simply desire to say that I think I agree entirely with the Senator from Pennsylvania as to both propositions—first, that it would be bad policy for us to try to validate those illegal taxes, and, in the second place, I very seriously doubt whether we have any constitutional authority so to act even if we thought it good policy to act in that way. I have an open mind on the subject, and I shall listen with very great care to the arguments which may be made on both sides.

Mr. FLETCHER. Mr. President, may I ask the Senator from Pennsylvania a question?

Mr. PEPPER. I yield to the Senator from Florida.

Mr. FLETCHER. I should like to ask the Senator if what is proposed is not merely saying on the part of Congress that if the States proceed in their own way under their own constitutions and laws to validate what has taken place, Congress will not consider it and the Federal Government will not consider such action as inimical to the interests of any agency in the Federal Government? That is about as far as the so-called validating provision goes, is it not? It seems to me that we can at least go that far and simply say that, so far as the Federal Government is concerned, we will not consider such action as each State may take in attempting to validate the collections as inimical to the interests of the Federal Government.

Mr. PEPPER. I so understand.

Mr. President, I have now stated in as colorless a way as possible the problem with which the committee has attempted to deal. I have set forth the principles which we think should apply to such taxation by the States in the future. I have answered questions regarding the validating provision because they were asked me, though that matter at the moment is not before the Senate. Having made the statement in support of the measure as reported by the committee, I leave it in the hands of the Senate for such disposition as the Senate may desire to make of it.

Mr. REED of Pennsylvania. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Pennsylvania yield to his colleague?

Mr. PEPPER. I have finished my remarks, but I shall be glad to answer my colleague's question.

Mr. REED of Pennsylvania. I should like to ask one question of my colleague. I notice that in reply to the Senator from North Carolina as to the possibility of prejudice against State banks in the contrasting taxation whereby the national-bank taxation might be limited by the proviso in clause (b) whereas the State-bank taxation would not be so limited, the Senator gave it as the judgment of the committee that there was more danger of abuse of the power if the proviso were not put in. I should like to ask the Senator his judgment, for I know that he has given this subject deep consideration, as to the propriety of establishing by this proposed statute the same rule that the States have believed to be the law for many years passed? Has the Senator considered the propriety of amending section 5219 so as to establish what we all thought it meant until the decision of the Supreme Court? Would not that be fairer, and would it not put the State banks and national banks on the same level?

Mr. PEPPER. That was carefully considered by the committee, and the proposition of the Senator from Minnesota amounted to just that thing, enlarged to include private bankers; but the objection that has been made to that—whether it be based on imaginary apprehensions or upon a real danger—is that the effect of that legislation would be to segregate all the banking capital in a State as a target for hostile or discriminatory legislation by that State, not against national banks but against anybody engaged in the business of banking; and therefore the effort of the committee was to find some way in which to guard against the possibility of such hostility or discrimination.

Mr. SMITH. Mr. President, may I ask the Senator whether there was any evidence before the committee to show that in any of the States, to any extent, there was any discriminatory legislation for or against capital engaged in banking as distinguished from capital engaged in other industries?

Mr. PEPPER. Mr. President, I can not say that there was evidence before the committee, because no witnesses were examined in the ordinary way, although representatives of a great many points of view were given hearings by the committee and by the subcommittee in charge; but it was alleged that, for instance, in North Dakota there was legislation of such a sort as to give pause on the question of whether or not there might be such hostile legislation as I have referred to.

Mr. SMITH. The reason why I ask the question is that in legislating here from a national standpoint for banks, of course we are trying to put the treatment of national banks in a State on the same plane with the treatment of any other banking institution in the State. This, however, goes further than that, and seems to attempt to take care of the private banking industry as well as national banking, in that under this we do not allow any discrimination against the national banks either in favor of the private banks or, in the following section, in favor of any form of money engaged in industrial or productive enterprises.

Mr. PEPPER. Mr. President, I need not say to the Senator that it is not the thought of the committee to influence the action of the State in taxing its own State banking institutions, except to the extent of providing that it shall not tax the national banks at a higher or a greater rate, and then to provide that if there is any evidence that banking capital as such is being discriminated against, the rate to be applied shall be the average of the rates applied to shares in certain other corporations. I can not say whether this danger is imaginary or real; but it seemed to the committee that since, in the apprehension of many, it is a real danger, it was best to safeguard it rather than to ignore it.

Mr. REED of Pennsylvania. It was the explanation of that point that I think many of us would be interested in hearing from the Senator, particularly with regard to his own views on it, because we know that he has studied this question, and I am interested to know whether he shares that apprehension.

Mr. PEPPER. Mr. President, I have not the experience of actual legislative conditions, present or prospective, in the different States which would enable me to answer that question. All I can say is that many of those who have canvassed and reviewed the situation have made impressive statements to our committee indicating the existence on their part of such an apprehension, and we were not able to say that it was not well founded.

Mr. GLASS. Mr. President, adverting to the question which the junior Senator from Pennsylvania asked his colleague, it seemed to some of us on the committee that the provision in the House bill met the requirement suggested by the junior Senator from Pennsylvania, in these words:

> That the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of the individual citizens of such State coming into competition with the business of national banks.

The reference there being specifically, of course, to capital employed in the State banking business, or trust companies, or capital employed by private bankers under State laws, and presumptively to capital empoyed by individuals whose primary and real business it is to lend money in competition with banks.

It might give the Senator a clearer comprehension of the situation to state to him, as the senior Senator from Pennsylvania did state, that the accepted theory of the banking community of the United States up to the time of the recent Supreme Court decision was that the law was designed to protect stockholders in national banks against discrimination in favor of stockholders in State kanks; in other words, to provide that the shares of national banks should not be taxed at a higher rate than the shares of State banks. In the course of events States found it impossible to derive any revenue from taxation of moneyed capital in the hands of individuals upon the basis of like taxation of real property. On the first day of each taxable year it happened that nobody had any balance in bank. The balances were all checked out for 24 hours and redeposited on the next day. Therefore the States derived no revenue whatsoever, or only inappreciable revenue, from that sort of taxation of moneyed capital in the hands of the individual.

The State of Virginia, more as a matter of experiment than anything else, undertook to place a tax of 2 mills on moneyed capital in the hands of the individual. The result of that was that the State pretty soon derived a revenue of approximately $350,000 a year from this source of taxation, the tax being so inappreciable upon each individual account that taxpayers gave in this moneyed capital in their returns; so that the State, from collecting some $10,000 or $12,000 from this source, now collects approximately $350,000 from this source. We proceeded in contentment with that until very recently a national bank in the city of Richmond, reverting to the existing statute, conceived the idea that this tax of 2 mills on moneyed capital in the hands of the individual was a discrimination against shares in national banks, contending that money in the hands of the individual came into competition with the business of national banks. Of course, it did nothing of the kind, because to contend that would be to contend that deposits in a national bank, instead of being in cooperation with and helpful to the national bank, was in competition with the business of the national bank.

A suit was brought by this Richmond bank, and the State made, I think, the grave blunder of admitting certain alleged facts, instead of contesting the allegations of the bill. I am a layman, and in talking before lawyers I do not know whether I am stating the case properly or not. At all events, the State admitted the allegations of the bill, which I think were not true, because this moneyed capital in the hands of individuals, such as bank balances, does not come into competition with the business of national banks.

I may interject here that a different condition arose in the State of New York. There, when banks brought suit under this decision of the Supreme Court to recover taxes illegally collected by the State, it developed that the State did not tax moneyed capital coming into competition with the national banks. Such great private bankers as Kuhn, Loeb & Co. and J. Pierpont Morgan & Co. escaped this taxation; so that national banks there had a real grievance, whereas they had not in my State. The effort, I repeat, has been to provide against discrimination in favor of State banks, or of private bankers, or of moneyed capital actually coming into competition with the business of national banking.

Mr. POMERENE. Mr. President, will the Senator yield for a question?

Mr. GLASS. I yield.

Mr. POMERENE. Was the discrimination in New York by virtue of the provisions of the State statute, or was the discrimination due simply to the administration of that law?

Mr. GLASS. That I can not specifically answer, but I assume that it was due to the discrimination of the State statute——

Mr. KELLOGG. It was.

Mr. GLASS. Hence, in New York the national banks had a real grievance; but in Virginia they had no grievance; and, as a matter of fact, the national banks are under agreement with the State authorities to submit to a just rate of taxation.

What the Senate bill purports to do, and what I think the House bill actually does, is to put all banking capital on an equal basis of taxation. Other members of the committee who are lawyers, trained in the refinements of definitions, do not agree with me as to that; and hence we have stricken out all after the enacting clause in the House bill and substituted the Senate bill. My confidence in the legal accomplishments and acumen of the distinguished senior Senator from Pennsylvania [Mr. PEPPER] has led me to acquiesce in this view of the matter, though I do not understand it.

Mr. KELLOGG obtained the floor.

Mr. CALDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New York suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Hale	McLean	Shields
Bayard	Harreld	McNary	Shortridge
Borah	Harris	Moses	Simmons
Broussard	Harrison	Nelson	Smith
Bursum	Heflin	New	Smoot
Calder	Jones, N. Mex.	Nicholson	Spencer
Cameron	Jones, Wash.	Norbeck	Sterling
Capper	Kellogg	Oddie	Sutherland
Couzens	Kendrick	Overman	Townsend
Culberson	Keyes	Pepper	Trammell
Curtis	King	Phipps	Wadsworth
Dial	Ladd	Poindexter	Walsh, Mass.
Dillingham	Lenroot	Pomerene	Walsh, Mont.
Fletcher	Lodge	Ransdell	Warren
George	McCormick	Reed, Pa.	Watson
Gerry	McCumber	Robinson	Williams
Glass	McKellar	Sheppard	Willis

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. KELLOGG. Mr. President, I desire to discuss the original bill reported by the Senate Committee on Banking and Currency and the proposed amendment authorizing the States to ratify taxes which have been heretofore levied on the stock of national banks.

The Senator from Pennsylvania [Mr. PEPPER] has explained the bill at considerable length, and on this branch I will be very brief. It is sufficient to say that when the national bank act was passed, in 1864, the banking capital of the country was in the hands of State banks and individuals or firms. The Federal Government, in order to prevent the States from discriminating against capital engaged in national banks, provided, in substance, by the act of 1864, which was amended in 1868, and as to the details of which I will not speak, that the States might tax the shares of national banks, but that the rate should not be greater than the rate imposed on other moneyed capital in the hands of the individual citizens.

That law has remained from 1868 down to the present time as the law of the country. As a matter of fact, the money or intangible credits of individuals, such as notes, bills receivable, money in banks, and so forth, has ceased to be much of a factor in competition with national banks. No one can say that there is not a degree of competition, and it should not be left open to be proved in every single case where a bank undertakes to escape taxation that individual credits or intangible assets are not in competition with banks; but it is perfectly evident that it has ceased to be the basis upon which national banks should be taxed.

Mr. President, there have grown up in the various States systems of taxation other than direct taxes on property; I mean ad valorem levies. It has been found that it was impossible to collect direct taxes on intangible assets, so the States have adopted various substituted systems of taxing intangible assets or different rates of taxing intangible assets. To give an illustration, in the State of Minnesota when we had the direct tax on intangible assets and money of individuals we collected about $350,000 a year under rates varying from 2 to 3

per cent. We changed the rate to 3 mills on the dollar and collected $1,350,000. The State of New York has had a more remarkable experience than that. Where they used to collect a little over a million dollars they collect twenty or thirty million to-day, because you can get people to list for taxations moneys and credits in the hands of the individual citizen if the rate is not such as to practically take all the interest.

The Supreme Court of the United States passed on this question a great many times, as the Senator from Pennsylvania clearly explained, and it came to be the general understanding among State legislatures and State authorities that the rule was that the rate on bank stock should not be greater than on other moneyed capital of State banks and trust companies, the principal agencies competing with national banks; and there are a great many more State banks and trust companies than there are national banks. So for years the States went on passing laws for income taxes in lieu of direct taxes on individuals, for a smaller rate upon individuals' intangible assets than was imposed on the stock of the banks. Whereupon, after many years of such practice, I think from 14 to 18 States having adopted the system of levying a smaller tax on individuals' intangible assets than on bank stock, or a substituted system of income taxes instead of direct taxes on such intangible assets, the Supreme Court of the United States decided the case of the City of Richmond against the Merchants' National Bank. I will not deny that that decision is correct. I do not criticize it at all, because, as was correctly said by the Senator from Virginia [Mr. GLASS], it was conceded in that case that the money and credits of individuals taxed in the city of Richmond did come in competition with the national banks.

I am unable to conceive that the bank deposits of all the depositors in the country come in competition with the banks themselves. I do not believe that to any great extent individual loaners of money for investment come in competition with national banks. But if the law is left as it is now, it must be proven in every case, and if it is true that the rate of taxation on individual credits is the basis for taxation of the stock of national banks, I think the basis is wrong. I do not believe that individual investors in low-rate bonds, such as bonds bearing 4 per cent, or in farm mortgages bearing 5 or 6 per cent, should be taxed on their credits, or that individuals who have deposits in banks drawing 2 per cent should be taxed on their credits at the same rate as a bank, with its charter and the right to do a banking business. On the other hand, I do not believe that the Congress should open the door to a substantial discrimination against banking capital. Now, that being the state of the law, the City of Richmond case was decided.

The PRESIDING OFFICER. The Senator will suspend for a moment. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is House bill 12817.

Mr. KELLOGG. In the City of Richmond case it was found that the value of national bank stock was $8,000,000,000; that of the trust companies, $6,000,000,000; and intangible assets and the money of individuals, $6,500,000,000. It did not appear how much was money in the banks or how much was not in competition with the banks. The rate the city of Richmond imposed on banks was $1.75, while the rate imposed on private individuals was 95 cents. After the decision in the Richmond case the banks and the legislature got together and agreed that the rate should be 55 cents upon individuals and $1.10 upon the banks, making the discrimination just as great as before, but it was a taxation by consent of the banks which I do not think should exist. I think Congress should lay down the rule.

With that in view, the House passed a bill which provided that the basis should be that the States might assess the banks, provided that the tax imposed should "not be at a greater rate than is assessed upon other moneyed capital in the hands of the individual citizens of such State coming into competition with the business of national banks." That is exactly what the law was before, because the Supreme Court has held that it is only money in the hands of individuals which comes in competition with national banks that forms the basis of taxation of national bank stock.

Mr. GLASS. Mr. President——

Mr. KELLOGG. I yield to the Senator from Virginia.

Mr. GLASS. May I inquire of the Senator if the Supreme Court itself has defined "money in the hands of individuals coming into competition with national banks" as money on deposit in the banks, for example?

Mr. KELLOGG. No; the Supreme Court has said several times—in fact, it is practically admitted in all cases—that it is the money in the hands of individuals coming in competition with national banks that forms the basis of taxation. It has never decided that if the money does not come in competition with national banks it is a basis for taxation of national-bank stock.

Mr. GLASS. What I want to arrive at is this: Is it at all probable that the Supreme Court would decide that the bank balances of individuals, which really furnish the capital upon which banks conduct their business, may be construed as capital in the hands of individuals coming in competition with the national-banking business?

Mr. KELLOGG. I do not think that would be held by the court. For instance, individuals in a city like New York, where there are a great many individual bankers who have large deposits, might use their money to compete with national banks. They might keep their money on deposit in their own banks or might keep part of it on deposit with trust companies or other companies. I do not think the court would hold that money simply on deposit with the bank was in competition with banks, but there are some cities where private banks or private individuals undoubtedly compete to some extent with banks.

Mr. GLASS. I am in favor, and I think all of us are in favor, of taxing private bankers on just the same basis and to the same extent that we may tax State or National banks. But what I am trying to do is to reach a definition of what is "moneyed capital in the hands of the individual coming in competition with the business of national banks."

Mr. KELLOGG. I will tell the Senator. The bill which passed the House did not change the law as it existed before.

Mr. GLASS. Then why did the House pass the bill?

Mr. KELLOGG. Under the bill as it passed the House we could tax State banks and trust companies one-half what we tax national banks, and it would not be void under the law——

Mr. GLASS. I am surprised to hear a statement of that sort.

Mr. KELLOGG. Because it provides that it is only money and credit in the hands of the individual citizens. That is the answer to the Senator. I sought in the bill which I introduced to broaden it and to provide, as I did—and as the committee have reported and the bill is now before the Senate—as follows:

(b) In the case of a State tax on said shares the rate of taxation shall not be higher than the rate applicable to other moneyed capital employed in the business of banking within the taxing State.

In other words, State banks, trust companies, and private individuals like J. P. Morgan & Co. and Kuhn, Loeb & Co., who receive deposits and who do a banking business, and others in the large cities were in contemplation. Some States do not allow private banking. We sought by this provision to make it so broad that the States could not tax the stock of national banks at a greater rate than any moneyed capital engaged in banking, whether it was represented by a State corporation in the nature of a trust company, a State bank, a private individual, or a copartnership.

I think that includes everything that the House bill included and more, but it eliminates the credits in the hands of the individual citizen not engaged in banking, and that, I think, should be eliminated for a practical reason. The States have been unable to collect direct taxes on individuals. They can do it with reference to corporations because they are subject to visitation by the officials. Another reason is that I do not believe the individual should be taxed as much as the corporation enjoying a franchise and engaged in that sort of business.

Now, coming to the clause proposed by the committee, I am quite in accord with it. I do not believe that national banks or State banks or banking capital should be put up as a target for particular taxation in excess of the general rate of taxation. I think they should be treated the same as other business concerns. The difficulty was in finding a basis to compare the rates on national bank stock with other property, and the committee gave to that matter a great deal of study and I think received suggestions from a great many sources. It was impossible to make the rate the same as the rate on all other properties because railroads in many States are taxed on the gross-earning basis, as are many public utilities. Certain classes of property in some States are exempt from taxation. Some property is taxed on an income basis.

But it was found that a great many States tax the stock of all corporations, whether foreign or domestic; and it was thought that if the tax could not be greater than the average rate applied to other business corporations where they were taxed, it would be a sufficient safeguard to all banking capital. So far as I am concerned, I have no objection. I am inclined

to the opinion that in view of the fact that there are more State banks and trust companies than there are National banks, that "all moneyed capital engaged in other banking" is a pretty fair protection, but I have no objection to the clause proposed by the committee, which I think prevents any attempt at discrimination against banking capital generally.

Now, one other feature of the bill authorizes the State to tax the net income of an association, but provides that—

The rate shall not be higher than the highest of the rates imposed by the taxing State upon the net income of mercantile manufacturing and/or financial corporations doing business within its limits.

The object of that is that some States have found it more scientific, or, at least, they believe they have, to tax the income of corporations than to tax the physical property, and if they desire to tax the income of banks they ought not to be prohibited from doing it. Certainly it can not be unfair to other companies if the limitation is that the income tax shall not be higher than the highest imposed upon the other corporations.

Now, so much for the Senate committee bill. The objection, as I said, to the bill as passed by the House is that it still makes the rate of taxation on intangible credits in the hands of the individual citizen the basis for taxation of national banks, whether he is engaged in banking or whether he is not. If he is engaged in banking, to be sure, his capital should pay the same rate as the national banks. If he is not engaged in banking, I do not think it is wise. Unless the Congress shall pass some law on the subject, the taxing systems of New York, Massachusetts, Minnesota, and 18 or 20 other States are going to be destroyed. In fact, it would have been destroyed in Virginia if the banks had not come to an understanding with the legislature and agreed to a discrimination as between individuals and corporations. I shall not take the time of the Senate now to say anything more on that question.

I would like to answer the question asked by the Senator from Ohio [Mr. POMERENE] as to the constitutional power of the Congress and the States to ratify any tax which has heretofore been levied. On that question let me state what the condition is in New York and in Massachusetts, but especially in New York.

In the State of New York, the State taxes the stock of national banks. First, it taxes real estate substantially as it is done in every State. Second, it taxes the stock of the national banks at 1 per cent of the value of the stocks—book value, we will call it. Third, there is a tax to the individual stockholder, an income tax on his income from stock in national banks. Other capital in the hands of the individual system is taxed on an income basis. The court found that that rate thus imposed on national banks was higher than the rate imposed on other moneyed capital in the hands of the individual citizen. Feeling bound by the decision of the Supreme Court in the Richmond case, it held the tax void as in violation of the Federal statute.

Mr. GLASS. Mr. President——

Mr. KELLOGG. I yield to the Senator from Virginia.

Mr. GLASS. May I ask what the Senator conjectures, if he pleases, would have been the decision of the Supreme Court had the State authorities of Virginia contested the allegation of the bill saying that the capital in the hands of individuals, in the nature of bank deposits and otherwise, was in competition with the business of national banks?

Mr. KELLOGG. I am inclined to think that it would have been difficult for the bank to prove that the capital in the hands of the individual competed with that of the bank to any considerable extent.

Mr. GLASS. Would it not have been literally impossible to have proved any such absurdity?

Mr. KELLOGG. I think so; but at the same time that question was always left open.

Mr. GLASS. The Senator states that unless we pass this bill or some similar bill the taxation laws of some 18 or more States will be disrupted, and that the taxing laws of Virginia would be disrupted but for the agreement between the bankers and the State authorities. Would that be true of any State where the taxation of capital engaged in banking business was made uniform?

Mr. KELLOGG. Yes; it would under the present law if the intangible assets of private individuals are considered to be in competition with banks.

Mr. GLASS. But what I am trying to arrive at is how a sane person can say that they are in competition with the business of national banks?

Mr. KELLOGG. That is a mooted question, and there will be lawsuits in every State of the Union over the matter.

Now let me state what occurred in New York: In 1920, 1921, and 1922 the State of New York levied the 1 per cent tax. Everybody admits that it was not excessive; everybody in New York will tell you that a tax of 1 per cent on their capital is not an excessive tax; but it is more than was levied on the intangible assets in the hands of the individual. What has occurred? Suits have been brought in New York.

Mr. GLASS. Is it not more than was levied upon capital engaged in private banking business?

Mr. KELLOGG. I will explain that. It is more than was levied on capital engaged in private banking business, because such capital is in the hands of the individual citizen, but the law also included all other individual citizens whether they were engaged in banking or not. That is the trouble.

Suits have been brought against the city of New York, and I am informed by the corporation counsel of New York that those bringing such suits have recovered about $20,000,000 or will recover that amount; in other words, the banks of New York have recovered back all the taxes for 1920, 1921, and 1922, not merely that part of the tax which equals the rate imposed on individuals, but the entire tax will be recovered back unless Congress authorizes the State to ratify it. Just think of the situation! It will almost bankrupt the city of New York; and in the State I am informed the recoveries will amount to somewhere between $20,000,000 and $30,000,000 altogether. The State of Massachusetts is in the same condition.

I do not think one can find a banker in the State of New York who will say that the rate of taxation on banks is excessive, and yet, if there is not something done to permit the States to ratify the taxes, not only will the banks escape the old rate of taxation, which was equal to the taxation on moneyed capital in the hands of individual citizens, but will escape all taxation. The question is, Can Congress consent to the States ratifying those taxes? Personally I have no doubt about it whatever, and I will state very briefly the principles on which such legislation is valid.

In the first place, it is a conceded principle of taxation that all property owes its proportion to the support of the Government unless by constitutional provision certain classes of property are taken out. It may not be taxed by the legislature, but there is an implied obligation on every owner of property to pay his share of taxes. Of course, he does not have to do it unless he is taxed by the law. The legislature of any State may ratify any taxation which it could originally have imposed. I do not think there is any principle better recognized by American jurisprudence than is that principle; and it is also established by the authorities of the States and by the Supreme Court of the United States.

In this case the only reason the State could not impose this tax was because Congress had provided a limitation that the States should not tax the stock of a national bank at a greater rate than that imposed on other moneyed capital in the hands of the individual citizen. Had Congress simply consented to the State taxing national banks or national-bank stock, the power of the State to impose a tax would have been plenary, but Congress provided a limitation. Therefore, before a State can ratify a tax such State must have the consent of the Federal Government. I say, however, that what the State and the Federal Government together could do originally, they may now ratify; and the Supreme Court has so held.

Is it possible, simply because of a misunderstanding of the meaning of an act of Congress as to the rate of taxation which should be imposed upon a national bank, that those banks may go back six years and recover all their taxes, and that there is no power whatever to reimpose them or any part of them? Such a doctrine shocks the sense of equity and justice in view of the obligation which all men owe to support the Government, and it is not the law, in my opinion. I am simply giving my opinion.

Now let me, for the benefit of those Senators who may not have investigated this particular subject——

Mr. KING. Mr. President, will the Senator yield?

Mr. KELLOGG. Yes.

Mr. KING. I have just returned to the Chamber, and perhaps I am about to ask a question which the Senator has covered. I understand, however, the Senator has been discussing the power of Congress and of the States to validate these illegal taxes?

Mr. KELLOGG. Yes.

Mr. KING. Has the Senator discussed the propriety and justice of it, in view of the fact, as I have heard it asserted, that in New York particularly large institutions such as J. Pierpont Morgan & Co. and Kuhn, Loeb & Co. have been exempted from taxation, so that there has been discrimination? Now it is proposed to lay the foundation, if this amendment shall be adopted, of perpetuating that discrimination.

Mr. KELLOGG. Not at all; we are proposing by this bill in the future to make the basis of taxation of national-bank stock the same as all moneyed capital engaged in banking, so that in the future the State of New York, for instance, may tax all private companies or partnerships or individuals at the same rate, and must tax them at the same rate, as they tax the national banks. Does the Senator think the State of New York should go without any taxes? Does he think that the national banks of New York should recover from $25,000,000 to $30,000,000 merely because a few private bankers may have been taxed at a different rate than that imposed on the national banks, when it is admitted that the rate of taxation on the banks in New York is not excessive, being only 1 per cent? That rate is nowhere near the rate that is imposed in my State, which is 2 or 3 per cent, and nowhere near the rate imposed in many other States.

This bill will require the State of New York in the future to tax all capital engaged in banking, whether in the hands of individuals, of J. P. Morgan & Co., or Kuhn, Loeb & Co., or anybody else, at the same rate; but because in the last three years they may have been taxed on income instead of by a direct tax is it fair that the State of New York should lose from $25,000,000 to $30,000,000 and that the city of New York should be practically bankrupted? I do not think so.

Mr. TRAMMELL. Mr. President, I should like to ask the Senator a question.

Mr. KELLOGG. I will answer it if I can.

Mr. TRAMMELL. Does this measure act retroactively?

Mr. KELLOGG. The bill itself is not retroactive. The clause which the Senator from New York intends to offer, and which has been reported by the committee, proposing to ratify the tax which has heretofore been levied, of course, is retroactive.

Mr. TRAMMELL. I did not know about that; I have not seen that provision.

Mr. KELLOGG. It has been reported by the Senator from Pennsylvania. I do not think it will be voted on to-day, so that the Senator will have an opportunity to examine it.

Mr. TRAMMELL. I have been wondering in regard to the first paragraph, which, after specifying the character of taxes which may be levied, contains this provision in paragraph 1 (a):

> The imposition by said State of any one of the above three forms of taxation shall be in lieu of the others.

It is the purpose of the measure, as I understand from that provision, to restrict the State to only one of those methods of taxation.

Mr. KELLOGG. To only one of them at the same time. The State ought not to tax the real estate and then tax all the stock at full value and then tax all the income from the stock. Of course, the idea is the State may select at any time any one of the three methods; it may tax the real estate and the stock separately, or it may tax the income, but it may not impose all three forms of taxation at once. I think that is a fair provision. I can not imagine any State doing otherwise in any event.

Mr. TRAMMELL. That would necessitate the States conforming all of their tax laws to the standard prescribed by this measure, would it not?

Mr. KELLOGG. I will say to the Senator nearly all of the States have conformed to that standard. The only State which does not to which I can now point is the State of New York, and all they have got to do is to raise their rate of 1 per cent to make up the difference.

In most of the States the value of the real estate is deducted in arriving at the value of the bank stock. They tax the real estate the same as all other real estate in the State or in the local community is taxed, and then they tax the bank stock for all of the balance of the assets. That is the rule in most of the States, but they ought not to be allowed to tax the real estate separately and then include the real estate in the value of the stock and tax it again and then tax income from all three over again. That would hardly be fair, and that is what this bill prohibits.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. KELLOGG. Yes.

Mr. PEPPER. Is it not also true that under the decision of the Supreme Court as it now stands all the States which have not legislation conforming to that interpretation of the section will have to legislate anew, anyway?

Mr. KELLOGG. That is quite true.

Mr. PEPPER. It is a mere question of what the legislatures of the States shall in the future enact. They will have to change their laws to conform to the decision or to something better, if we can find something better.

Mr. KELLOGG. Mr. President, I wish to discuss the power of Congress and the States together to ratify any act which the States and the Congress together could originally impose. I am not going to take the time of the Senate to read all the authorities; but I am going to put some of them in the RECORD so that Senators may read them if they so desire. I should like, however, to state the facts in one case which is familiar to many Senators on this floor, because they were Members of the Senate when the original legislation was passed. I think the Senator from North Carolina is familiar with it. When the Philippine Islands were taken over the military authorities in charge imposed a tariff on all goods shipped from and to the Philippine Islands. It was a military order. Suit was brought against the Government to recover the taxes thus paid, because it was alleged the military authorities had no power to levy tariff duties but that such duties could only be levied by Congress.

The court held that that was not a correct interpretation, and that the duty was void for want of authority in the military authorities. After the judgment declaring the tariff duties void, and providing for a recovery of them, the Congress by an act imposed a tariff duty, and retroactively ratified the tariff duties imposed by the military authorities; and the Supreme Court announced the rule, citing many cases of taxation, that a tax or tariff which could be originally imposed by Congress could be ratified by Congress. In other words, the tariff duty was void when it was imposed, because the military authorities had not the power to impose it, but Congress had the power of ratification; and I said in the opening of my remarks on this question that as to taxation I believed it to be a universal rule that a tax which a State could originally impose it can ratify.

Mr. KING. Mr. President, will the Senator yield?

Mr. KELLOGG. Yes.

Mr. KING. Of course, the Senator will perceive the very great distinction between the case to which he has just referred—namely, the Philippine Islands—and that of a sovereign State. The Congress of the United States, under the Constitution, has full power to deal with the territory of the United States. The Philippine Islands, under the decision of the Supreme Court, come within that category.

Mr. KELLOGG. There was not any doubt about the power of Congress to deal with this tax question. Nobody denies the power of Congress to consent that the States may tax national banks and not tax any other property at all. There is no doubt about the power of Congress.

Mr. KING. Congress may do with a Territory that which it may not do with a State.

Mr. KELLOGG. Quite so.

Mr. KING. And it may validate an illegal tax levied by a territorial legislature when it may not validate an illegal tax which has been imposed by a State.

Mr. KELLOGG. But Congress is not validating this tax. Congress is simply consenting that the States may validate it if the States see fit.

Mr. KING. Oh, well, I am expressing no opinion as to the effect of the measure which is now before Congress.

Mr. KELLOGG. I will apply the principle to tax cases if the Senator desires. That was the case of United States *v.* Heinzsen; and I think, if I may be permitted, I will introduce in the RECORD, without reading, pages 10, 11, 12, 13, 14, and 15, as marked, of the brief on this subject.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

III.

THE PROVISION OF THE BILL RATIFYING TAXES HERETOFORE IMPOSED IN ACCORD WITH THE PROVISIONS OF THIS BILL IS LEGAL, PROPER, AND ESSENTIAL.

The bill at lines 20–25, page 2, and lines 1–3, page 3, provides as follows:

"That the provisions of section 5219 of the Revised Statutes of the United States as heretofore in force shall not prevent the legalizing, ratifying, or confirming by the States of any tax heretofore paid, levied, or assessed upon shares of national banks or the collecting thereof, provided such taxation is not greater than the taxation imposed for the same period upon banks, banking associations, or trust companies doing a banking business incorporated by or under the laws of such State or upon the moneyed capital or shares thereof."

By this provision Congress would now give the permission which heretofore it might have given to assessment of national banks upon the same basis of banks, banking associations, and trust companies doing a banking business as they have in fact been assessed in the various States.

In effect the provision, so far as Congress is concerned, simply authorizes the States by appropriate legislation to legalize, ratify, and confirm such assessments as of the date when imposed. By the provision Congress would be saying now what it could previously have said, that such assessments were proper and valid.

The provision is thus clearly within the power of Congress since it attempts to do no more than precisely the same thing that Congress could previously have done, namely, permit the taxation of national banks as other banks, banking associations, and trust companies doing a banking business. That which Congress could have granted or permitted it may surely authorize the States to legalize, ratify, and confirm so far as its grant or permission is essential. This principle has been universally recognized by the courts with respect to legislative power both of Congress and of States.

It was clearly stated and upheld as to congressional power in the case of United States *v.* Heinzsen & Co., 206 U. S. 370, which was followed in the more recent case of Rufferty *v.* Smith Bell Co., United States Supreme Court, December 6, 1921.

In the Heinzsen case action was brought to recover the amount of tariff duties exacted in the Philippine Islands on merchandise, the duties having been collected under authority of an order of the President before Congress on March 8, 1902, had enacted tariff duties for the Philippines. The court had held that the duties complained of were illegal, and the question presented was whether an act of Congress in 1906 (34 Stat. 636, June 30, 1906), legalizing and ratifying the imposition and collection of the duties prior to March 8, 1902, was within the power of Congress.

It was held that Congress had such power and that the legalizing and ratifying act of 1906 was effective, citing Hamilton *v.* Dillon (21 Wall. 73) and Mattingly *v.* District of Columbia (97 U. S. 687).

In so holding the court quoted (p. 384) from the decision in the Mattingly case which concerned the validity of an act of Congress ratifying certain void assessments for street improvements in the District of Columbia, wherein it was said:

"If Congress or the legislative assembly had power to commit to the board the duty of making the improvements and the power to prescribe that the assessments should be made in the manner in which they were made, it had power to ratify the acts which it might have authorized * * *. Under the Constitution, Congress had power to exercise exclusive legislation in all cases whatsoever over the District, and this includes the power of taxation * * *. It may therefore cure irregularities and confirm proceedings which without the confirmation would be void *because unauthorized*, provided such confirmation does not interfere with intervening rights."

The court then states (p. 384):

"It is then evident, speaking generally, both on principle and authority, that Congress had the power to pass the ratifying act of June 30, 1908."

In discussing the question whether money paid to discharge the illegally exacted tariff duties justly and equitably belonged to the claimants and that the title thereto continued in them as a vested right of property, and hence the right to recover the money could not be taken away, the court said (p. 386):

"But here again the argument disregards the fact that when the duties were illegally exacted in the name of the United States Congress possessed the power to have authorized their imposition in the mode in which they were enforced, and hence from the very moment of collection a right in Congress to ratify the transaction, if it saw fit to do so, was engendered. In other words, as a necessary result of the power to ratify, it followed that the right to recover the duties in question was subject to the exercise by Congress of its undoubted power to ratify."

The court also quoted (p. 387) from Cooley Constitutional Limitations (7 ed. p. 543):

"Nor is it important in any of the cases in which we have referred that the legislative act which cures the irregularity, defect, or want of original authority was passed after suit brought in which such irregularity or defect became matter of importance. The bringing of suits vests in a party no right to a particular decision * * * and his case must be determined on the law as it stands, not when the suit was brought but when the judgment is rendered."

It is thus apparent that while the Heinzsen case did not present identical facts to those herein appearing, inasmuch as therein the subject of the validating act related to tariff duties which are imposed in a manner to be authorized by Congress and are actually imposed either by Congress or by its agent, whereas here the subject of the validating act relates to assessments on national banks which are imposed in a manner to be authorized by Congress but are actually imposed by States or municipalities, there is no distinction in the principle applicable. In each case Congress, having the power to prescribe the manner in which the charges may be imposed, may authorize the States to ratify and confirm charges imposed in a particular manner.

In other words, it was within the power and authority of Congress to prescribe for taxing national banks, as stated in the bill, just as it was within the power and authority of Congress to prescribe for imposing the tariff duties which were collected. Accordingly, in both cases it has the power to authorize the States by appropriate legislation to ratify and confirm that which was done so far as its permission and authority is concerned.

As stated in Cooley on Taxation (3d ed. p. 517):

"The general rule has often been declared that the legislature may validate retrospectively the proceedings which they might have authorized in advance."

The same rule is stated in Exchange Bank tax cases, 21 Fed. Rep. 99 (affirmed, 122 U. S. 154), at page 101; the Court further stated:

"And it is immaterial that such legislation may operate to divest an individual of a right of action existing in his favor or subject him to a liability which did not exist originally. In a large class of cases this is the paramount object of such legislation."

Upon affirmance by the United States Supreme Court it was said (122 U. S. p. 163):

"The plaintiff and the other shareholders were bound as owners of property to bear their just proportion of the public burdens * * * and it would seem but just that the defect should be cured if practicable and the shareholders not be allowed to escape taxation and thus entail the burden they should bear upon other taxpayers of the community."

And in the case of Mattingly *v.* District of Columbia (97 U. S. 687), cited and discussed in the Heinzsen case, the Court quotes (p. 690) as "accurately stated" the rule asserted by Judge Cooley in view of the authorities, as follows:

"If the thing wanting or which failed to be done and which constitutes the defect in the proceeding is something the necessity for which the legislature might have dispensed with by prior statute, then it is not beyond the power of the legislature to dispense with it by subsequent statute. And if the irregularity consists in doing some act or in the mode or manner of doing some act which the legislature might have made immaterial by prior law, it is equally competent to make the same immaterial by a subsequent law. (Cooley Const. Lim. 371)."

Thus in Shuttock *v.* Smith (6 N. D. 56), where the State board of supervisors levied without authority a State tax which the legislature might have levied or ordered the board to levy, it was held that the legislature could validate a defective levy which it might have authorized to be made in the manner in which it was laid.

In Marion County *v.* Louisville & N. R. Co. (91 Ky. 388), where a county had authority to levy a head tax for county purposes and levied an ad valorem tax, it was held that the legislature by subsequent enactment may validate the levy.

In Kettelle *v.* Warwick & Co. Water Co. (R. I.) (49 Atl. Rep. 492), where a township tax was void as exceeding the statutory town tax limit, it was held that the legislature had power to pass an act validating the assessment so erroneously levied and such an act is constitutional.

As said, however, in Exchange Bank Tax cases (21 Fed. Rep. 99, p. 100):

"Undoubtedly the legislature could not validate a tax which was prohibited by the laws of the United States, but it was competent for them to sanction retroactively such proceedings in the assessment of the tax as they could have legitimately sanctioned in advance."

Thus only by permission of Congress may the States by retrospective legislation validate taxes not authorized under permission previously given. The necessity for the validating-permission provision of the bill thus appears.

Unless this permissive provision of the bill is retained the States will be powerless to validate taxes imposed on national banks which are in accord with the proposed amendment, and there can be no relief to the States with respect to taxes heretofore imposed, and undoubtedly there will be increasing litigation as to the taxes imposed and recoveries of taxes paid and nonpayment of taxes, seriously jeopardizing State and municipal revenues.

For many years taxes have been imposed and paid without complaint by national banks where the tax compared with that paid by State banks and trust companies but differed from that imposed as to individuals. Thus the situation is critical and calls not only for authority to levy such taxes in the future but for the retroactive permission of Congress authorizing the States to validate taxes heretofore levied or collected.

As stated in the authorities above cited, no vested right exists to recover such taxes where no judgment has been rendered, and the legal effect of the provision would be not to disturb judgments entered but to remove any cause for similar judgments.

Such validating permission, therefore, being within the power of Congress and essential to the States and municipalities and fair and equitable as to the banks themselves, should be enacted.

Mr. KELLOGG. I should like, however, to mention one or two cases in passing.

Cooley, in his work on Constitutional Limitation, says:

The general rule has often been declared that the legislature may validate retrospectively the proceedings which they might have authorized in advance.

Speaking of taxation.

Again, in the Mattingly case, cited here—a case which went up from the District of Columbia—the District of Columbia had made an assessment for street improvements which was void for want of authority. Congress ratified it, and thereby ratified the tax to pay the assessment; and the Supreme Court said:

If Congress or the legislative assembly had power to commit to the board the duty of making the improvements and the power to prescribe that the assessments should be made in the manner in which they were made, it had power to ratify the acts which it might have authorized. * * * Under the Constitution Congress had power to exercise exclusive legislation in all cases whatsoever over the District, and this includes the power of taxation. * * * It may therefore cure irregularities and confirm proceedings which without the confirmation would be void—

Not voidable, but void—

because unauthorized.

Congress has plenary power over the subject of taxation of national banks. It may consent to any tax, or it may deny any power in the States to tax any stock or any property of national banks; and what Congress could originally do it can authorize the States to ratify. If the Senators will look at the proceedings in New York and Massachusetts, especially, they will find that the banks there have not been excessively taxed, and that it would be a calamity to let them recover back their taxes for three years and pay nothing whatever to the State of New York—nothing whatever; not a dollar.

Again:

Nor is it important in any of the cases to which we have referred that the legislative act which cures the irregularity, defect, or want of original authority was passed after suit brought in which such irregularity or defect became matter of importance. The bringing of suits vests in a party no right to a particular decision * * * and his case must be determined on the law as it stands, not when the suit was brought but when the judgment is rendered.

Mr. WALSH of Montana. Mr. President, I am interested in the statement made by the Senator to the effect that it would be a calamity not to have Congress intervene so that these taxes could be collected in New York. I suppose the foundation of the right to collect is that the State of New York has exempted other moneyed institutions from the payment of the tax?

Mr. KELLOGG. No; it did as a great many States have done; in fact, 18 or 20 States.

Mr. WALSH of Montana. What other basis is there for it?

Mr. KELLOGG. Why, it taxed bank stock a direct tax of 1 per cent. It taxed other moneyed capital in the hands of individual citizens on an income basis, which was less than the tax that had been imposed on the banks; and the Supreme Court held that the entire tax was therefore void.

Mr. WALSH of Montana. Exactly. The State of New York favored some moneyed institutions of that State as against national banks in their tax laws.

Mr. KELLOGG. Yes. Now, I will say to the Senator from Montana that what we propose in this bill is in the future to provide that banks shall not be taxed more than the rate imposed on all moneyed capital engaged in banking, so that they can not exempt private individuals engaged in banking.

Mr. WALSH of Montana. I understand what the bill purposes to do.

Mr. KELLOGG. Does the Senator think that because, in the State of New York, banks may have been taxed during the last three years at a less rate than private individuals engaged in banking, that is a reason why the State of New York should collect no tax whatever, although the tax is a reasonable tax?

Mr. WALSH of Montana. No; I do not think so at all; but the proposition is that the State of New York, apparently, for some reason satisfactory to itself, gave a decided advantage to private moneyed institutions as against national banks, and it now finds itself in a hole in consequence.

Mr. KELLOGG. It did what 18 or 20 States have done. It provided that the taxation of stocks of national banks should be at a greater rate than the taxation of moneyed capital in the hands of individual citizens, and I think it should be.

Mr. CALDER. Mr. President, it levied the same tax upon its trust companies and State banks that it levied upon national banks.

Mr. KELLOGG. Exactly.

Mr. GLASS. Yes; but it did not levy the same tax upon private banks.

Mr. CALDER. I will say to the Senator that I am not in sympathy with what was done.

Mr. KELLOGG. I think that is true, but I think that was very largely an oversight. I do not think the State of New York intended that private bankers should pay one rate of tax and other bankers another; but, under the decision of the Supreme Court of the United States, a copartnership is an individual, and it pays as an individual instead of as a corporation or a banking institution. That is what we propose to correct in this bill in the future. Whether they are private individuals, copartnerships, State banks, or trust companies, they must all be taxed at the same rate as stocks of national banks.

Now, a word more.

Mr. WALSH of Montana. Mr. President, let me inquire further of the Senator what is wrong with the present law if the State of New York does, as a matter of fact, impose exactly the same tax on all moneyed capital?

Mr. KELLOGG. The State of New York does not impose the same tax——

Mr. WALSH of Montana. Well, that is their affair, not ours.

Mr. KELLOGG. The State of New York does not impose the same tax on all moneyed capital in the hands of the individual, and 18 or 20 other States do not, and can not, and should not. That is my answer to it.

Mr. WALSH of Montana. Should not?

Mr. KELLOGG. Yes; should not. Does the Senator believe that an individual who loans $1,000 on a farm mortgage at 5 or 6 per cent should pay the same rate of taxation on it that a national bank pays, with its business, receiving deposits, and so forth?

Mr. WALSH of Montana. I do not see any reason why the same amount of capital should not pay exactly the same tax.

Mr. KELLOGG. I see a great reason why.

Mr. WALSH of Montana. I supposed that uniformity of taxation was the general rule, without any exception.

Mr. KELLOGG. What is the general rule? Will the Senator say?

Mr. WALSH of Montana. The general rule is uniformity.

Mr. KELLOGG. No; that is not the general rule to-day in the United States, and it has been found to be impossible. Why, railroads are assessed on a gross-earnings basis. Individuals are assessed on a direct ad valorem basis. Many public utilities are assessed on a gross-earnings basis.

Mr. WALSH of Montana. The Senator understands perfectly well that that does not offend against the rule of uniformity, does he not? There is an opportunity for classification, and, of course, the Supreme Court must have determined that there was no basis for classification in this instance.

Mr. KELLOGG. Would the Senator, if he had the power, require all property in the United States to be taxed at the same rate, and by a uniform system?

Mr. WALSH of Montana. Certainly not; not all property, but all property of the same class.

Mr. KELLOGG. Very well. That is what I am providing for in this system; but such has not been the rule.

Mr. WALSH of Montana. What is the trouble with the present law?

Mr. KELLOGG. Because the present law applies only to moneyed capital in the hands of the individual citizen. It does not make any difference whether it is engaged in banking or whether it is not; and I propose by this amendment to make the rule all capital engaged in banking, whether it is in the hands of private individuals, corporations, private or State banks, or trust companies. Therefore you will get all the capital employed in the same business in the same class.

Mr. GLASS. That is already the law under the decision of the Supreme Court——

Mr. KELLOGG. It is not the law under the decision of the Supreme Court.

Mr. GLASS. That all moneyed capital in the hands of individuals that comes into competition with banking capital must be taxed at the same rate.

Mr. KELLOGG. Ah! That is another proposition. There is not a word here about State trust companies, State banks, or capital of individuals which does not come into competition with banking capital.

Mr. PEPPER. Mr. President——

Mr. KELLOGG. I yield to the Senator from Pennsylvania.

Mr. PEPPER. With the permission of the Senator from Minnesota, I was going to suggest a further answer to the question asked by the Senator from Montana.

Mr. KELLOGG. I shall be glad to have the Senator do it.

Mr. PEPPER. Is it not true that under the law as it now stands, as interpreted by the Supreme Court, a State tax law in order to be valid must be one which imposes a rate no higher than the rate applied by the State to moneyed capital in the hands of the individual coming into competition with the bank; that while in the decision of the Supreme Court in the Richmond case the court was relieved of the difficulty of determining what such competition was, because the fact of competition was admitted upon the record, if the legislation stands unmodified it will be necessary for the court hereafter to decide what is and what is not competitive capital in the hands of individual citizens, and there is no known rule for determining what is and what is not?

There will be no certain way of applying the test which the Supreme Court says is the test of section 5219. It was in order to provide a test that would be definite and workable that the committee has ventured to suggest a change in the language of the statute.

Mr. KELLOGG. I think I read the statement from Cooley on Taxation. If not, as it is very short, I will read it:

> The general rule has often been declared that the legislature may validate retrospectively the proceedings which they may have authorized in advance.

That is supported by the Federal and State authorities which I quote in this article.

Mr. KING. Will the Senator permit an inquiry before he leaves that subject?

Mr. KELLOGG. Certainly.

Mr. KING. Does not the Senator think the bill which is now before us is calculated to drive the legislatures of the States to adopt a system of taxation within the State which perhaps, aside from this legislation, they would not prefer to adopt? It seems to me that all that Congress ought to do in dealing with this subject is to provide that in the method of taxation there shall be no discrimination against the national banks and that if States seek to discriminate the national banks may adopt the lower rate of taxation that is applied in any State with respect to capital that comes in competition with the national banks.

Mr. KELLOGG. That is exactly what I have provided. All moneyed capital engaged in banking must be taxed at the same rate at which bank stock is taxed, and at which bank capital is taxed. That is exactly what we attempt to do. At present that is not the rule. At present the rule is that the individual investor pays a different rate. As I stated in opening my remarks, the States have found that a uniform system of direct ad valorem taxation is unscientific, unworkable, and does not produce the revenue and result which it should. So in some States they have taxed public utilities on a gross earnings basis, they have taxed individuals by income taxes, they have taxed corporations by direct taxes, and

when a man buys a mortgage he pays a tax for 20 or 25 years. Would the Senator say that all those rates must be equal? In the first place, that would disrupt the taxing systems which have grown up, and which experience has shown are wise, and which produce more revenue. I think I stated that in my own State, with a direct tax on intangible assets, varying in the communities from 2 to 3 per cent, $350,000 was produced, and our State provided a 3 mill per dollar tax on all intangibles and collected $1,350,000, because the capital was not sent out of the State, was not driven away. It is better for the State, because you can not tax a farm mortgage, or a 4 per cent bond as security, at the same rate at which you can tax a growing business. If you do the business of loaning money to farmers at cheap rates will go out of existence.

Mr. McKELLAR. Mr. President, in Tennessee we have a constitutional provision that all taxation shall be equal and uniform. I think those are the exact words. How would this amendment affect that provision of the constitution of Tennessee?

Mr. KELLOGG. It would not affect that in the slightest degree, because banks can only be taxed by the consent of the Federal Government anyhow. It would not affect the Senator's State in the least in that particular.

I have taken too much of the time of the Senate, and I shall not insist on going on further with this, as I understand other Senators want to speak.

Mr. BURSUM obtained the floor.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from New Mexico yield to the Senator from Washington?

Mr. BURSUM. I yield.

Mr. JONES of Washington. The Senator from Oregon [Mr. McNARY] desires to have the Agricultural appropriation bill taken up. Does the Senator from New Mexico object to yielding while I ask unanimous consent that the unfinished business may be temporarily laid aside?

Mr. BURSUM. I yield, with the understanding that I do not lose the floor.

Mr. JONES of Washington. The Senator will have the floor. I ask unanimous consent that the unfinished business may be temporarily laid aside.

Mr. KING. Has the tax bill been withdrawn?

Mr. JONES of Washington. It was to be withdrawn at 2 o'clock, but the Senator from Minnesota proceeded by unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington that the unfinished business, House bill 12817, be temporarily laid aside? The Chair hears none, and it is so ordered.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

Mr. McNARY. Mr. President, I ask unanimous consent that the bill (H. R. 13481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes, be laid before the Senate for consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McNARY. I ask unanimous consent that the formal reading of the bill be dispensed with.

Mr. KING. I will have no objection if on the second reading the bill be read in full.

The PRESIDING OFFICER. Is there objection?

Mr. McKELLAR. I did not understand the remark of the Senator from Utah.

Mr. KING. I stated that I have no objection to the formal reading being dispensed with, if on the second reading all the text of the bill be read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NICHOLSON. Will the Senator from New Mexico yield for a moment?

Mr. BURSUM. I yield.

Mr. NICHOLSON. I desire to offer an amendment to the pending bill relating to free seeds, my amendment to be inserted on page 33, following line 6. I send the amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The Secretary will read the proposed amendment.

The amendment was read as follows:

On page 33, after line 6, insert:

"Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants; all necessary office fixtures and supplies, fuel, transportation, paper, twine, gum, postal cards, gas, electric current, rent outside of the District of Columbia, official traveling expenses, and all necessary material and repairs for putting up and distributing the same; for repairs and the employment of local and special agents, clerks, assistants, and other labor required in the city of Washington and elsewhere, $360,000. And the Secretary of Agriculture is hereby directed to expend the said sum, as nearly as practicable, in the purchase, testing, and distribution of such valuable seeds, bulbs, shrubs, vines, cuttings, and plants, the best he can obtain at public or private sale, and such as shall be suitable for the respective localities to which the same are to be apportioned, and in which same are to be distributed as hereinafter stated; and such seeds so purchased shall include a variety of vegetable and flower seeds suitable for planting and culture in the various sections of the United States: *Provided*, That the Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packing, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. An equal proportion of five-sixths of all seeds, bulbs, shrubs, vines, cuttings, and plants shall, upon their request, after due notification by the Secretary of Agriculture that the allotment to their respective districts is ready for distribution, be supplied to Senators, Representatives, and Delegates in Congress for distribution among their constituents, or mailed by the department upon the receipt of their addressed franks, in packages of such weight as the Secretary of Agriculture and the Postmaster General may jointly determine: *Provided, however*, That upon each envelope or wrapper containing packages of seeds the contents thereof shall be plainly indicated, and the Secretary shall not distribute to any Senator, Representative, or Delegate seeds entirely unfit for the climate and locality he represents, but shall distribute the same so that each Member may have seeds of equal value, as near as may be, and the best adapted to the locality he represents: *Provided also*, That the seeds allotted to Senators and Representatives for distribution in the districts embraced within the twenty-fifth and thirty-fourth parallels of latitude shall be ready for delivery not later than the 10th day of January: *Provided also*, That any portion of the allotments to Senators, Representatives, and Delegates in Congress remaining uncalled for on the 1st day of April shall be distributed by the Secretary of Agriculture, giving preference to those persons whose names and addresses have been furnished by Senators and Representatives in Congress and who have not before during the same season been supplied by the department: *And provided also*, That the Secretary shall report, as provided in this act, the place, quantity, and price of seeds purchased, and the date of purchase; but nothing in this paragraph shall be construed to prevent the Secretary of Agriculture from sending seeds to those who apply for the same. And the amount herein appropriated shall not be diverted or used for any other purpose but for the purchase, testing, propagation, and distribution of valuable seeds, bulbs, mulberry and other rare and valuable trees, shrubs, vines, cuttings, and plants."

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

CIVIL WAR PENSIONS—VETO MESSAGE.

Mr. BURSUM. Mr. President, On January 3 the Senate received a message from the President returning Senate bill 3275, an act granting pensions to certain soldiers, sailors, and marines of the Civil War, and so forth, without his approval and accompanied by a message.

I can not help but feel that this is a harsh message, a cruel message, when we consider the physical conditions, the suffering endured, sacrifice made, the service to the Nation, the results from that service which has come to the country, the age of the veterans, the aged widows who are eking out a miserable existence, who are suffering from infirmity and a shortage of sufficient nourishment and care on account of inability to provide financial means for obtaining the same—of those who are affected thereby.

Mr. President, I have read and reread the message of the President. I read; I seek to analyze, but I am unable to make myself believe that a patriotic, appreciative, kindly character like Mr. Harding, big hearted, generous in his sympathy for suffering humanity, if in possession of all of the facts and circumstances surrounding perhaps 75 per cent of the beneficiaries under the proposed bill, would have given expression to such a sweeping condemnation of every item that the bill stands for.

This message portrays a gloomy picture; not a word of comfort, no expression of appreciation for those who so gallantly and effectively gave up everything under the leadership of Lincoln and Grant in order that this country might live and become a reunited people and Nation.

Let us analyze the contents of the message. First it says:

> If the act were limited to its provision in behalf of the surviving participants in the Mexican and Civil Wars and widows of the War of 1812, it would still be without ample justification. The Commissioner of Pensions estimates its additional cost to the Treasury to be about $108,000,000 annually, and I venture the prediction that with such a precedent established the ultimate pension outlay in the half century before us will exceed $50,000,000,000. The act makes no pretense of new consideration for the needy or dependent, no new generosity for the veteran wards of the Nation; it is an outright bestowal upon the Government's pension roll, with a heedlessness for the Government's financial problems which is a discouragement to every effort to reduce expenditure and thereby relieve the Federal burdens of taxation.

Under the present law now in force a Civil War veteran requiring an attendant may make application to the Pension Bureau and, upon proof, investigation, and approval by the bureau, may be given a pension of $72 a month. Of the number

of Civil War veterans now on the pension roll, approximately 20 per cent—or, to be exact, 34,759—are drawing $72 per month; the remainder, 148,292, are drawing $50 per month. The reason for suggesting a uniform flat rate of $72 per month is that it is generally recognized that at least 80 per cent of the Civil War veterans are now practically totally disabled and incapacitated, and the number of totally disabled veterans is increasing daily. In this connection I quote an extract from the report of Commissioner Gardner, of the Pension Bureau, for the fiscal year ending 1922, on pages 2 and 3, which reads as follows:

> Of those now on the roll, 34,537 are in receipt of $72 per month because their condition of helplessness or blindness requires the regular personal aid and attendance of another person. When the advanced age of the Civil War veterans is considered, it can readily be seen that a large per cent of the 159,254 now drawing less than $72 per month will lapse into that condition of helplessness warranting allowance of said rate. In fact, claims for the $72 rate are coming into the bureau at the rate of over 3,000 per month.

Last fall I had the pleasure of attending the national encampment of the Civil War veterans held at Des Moines. There were several thousand veterans who attended the annual reunion, also several thousand widows and auxiliary organizations, such as the Woman's Relief Corps and the Ladies of the Grand Army of the Republic. I said to the national commander:

> You have only about 10 per cent of your membership here; where are the rest of your boys?

The reply was:

> Ninety per cent of them are at home either bedridden or incapacitated to make the journey.

It is a notorious fact that if there is anything on earth that a Civil War veteran will make a sacrifice to attend, it is the annual reunion of his organization, where he can meet his comrades who shared his sorrows, privations, and glories three score years ago, when they were all boys, talk over old times, relate and hear interesting incidents and stories about the things which happened between 1861 and 1865. Veterans came to that encampment who only had sufficient money to get there—no funds to purchase food or shelter. Be it said to the credit of the generous citizens of Des Moines, not a single veteran suffered for the want of either food or shelter or a return ticket home. The gates of the city were, in fact and in spirit, opened wide, and the welcome extended by Des Moines to this organization was one of generous welcome and hospitality. The testimony which I heard as to conditions generally with the membership and the widows throughout this country convinced me that the statement of the commander was true.

Many applications for increases have been filed; necessarily, delay is unavoidable in order to enable the Pension Bureau to obtain proofs and conduct its investigations in each individual case to justify approval. Hundreds of veterans have died during the interim between the time that application was made and before it was physically possible to obtain proofs, make the necessary investigation, secure approval, and place the veterans name on the roll at $72. These proceedings, as a rule, take up about three months.

For these reasons we believed that we were wholly justified in increasing the general roll of the veterans who are now alive and who served during the Civil War.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. BURSUM. I will yield later, if the Senator please.

To my mind, the increase of $22 is a new recognition and consideration of a rapidly increasing need and dependency, and to that extent it is a new generosity to the wards of the Nation.

I hardly think we can legitimately justify the word "generosity." Generosity and love of country may, in a measure, characterize the services which these veterans rendered the Nation, but what we propose to do now for the aged veterans, to my mind, is but a partial recognition of the national obligation which never can be fully discharged.

Now, as to the $108,000,000 increase. The message would have the country understand that if this bill becomes a law that it would take annually for 50 years out of the Treasury an additional sum equal to $108,000,000 or fifty billions ultimate outlay in 50 years. I quote the exact language of the message in this regard, which says:

> The Commissioner of Pensions estimates its additional cost to the Treasury to be about $108,000,000 annually.

This seems to be a one-sided picture and an argument by opposing counsel, so to speak, showing all of the objections which could, by opposing genius, be devised, and none of the circumstances favoring the other side of this question.

I do not agree that $108,000,000 even for the first year is a conservative estimate; secondly, net losses on the rolls through deaths have occurred at the rate of more than 40,000 annually—the last six months showing the following: 10,993 veterans and 10,386 widows. This death rate will increase as time goes on with its merciless claims of death upon the aged veterans and widows, and every time a veteran dies the Treasury outlay is reduced to the extent of $72 monthly, or $864 a year, and every time a widow dies the Treasury outlay is reduced by $50 per month, or $600 a year.

The total additional expense for the present calendar year on account of the Civil War veterans and Civil War widows now on the rolls, a monthly increase of $22 to the veteran and $20 to the widow, would in the aggregate amount to $88,386,958. From this sum may be deducted $15,778,290 on account of deaths during the year, leaving a net increase for the first year ending December, 1923, of $72,608,668.

Thus, for the succeeding year 1924, to begin with, there will be dropped from the roll during the calendar year 1923, 21,986 veterans who had been receiving $864 each per annum, making in the aggregate $22,975,904, and 20,772 widows receiving $600 each per annum, or in the aggregate $12,463,200, making a total of $35,439,104. Therefore, within two years the total increased demands over the present outlay upon the Treasury on account of increased pensions will have vanished, and within 10 years—and I am sure I am conservative when I say 10 years—the matter of Civil War veterans and widows' pensions, with the exception of a very limited number, may be compared to existing conditions relating to Mexican War pensions.

The prediction of a $50,000,000,000 outlay within the next 50 years, so far as it may be influenced by the enactment into law of this bill, would seem shooting far from the mark of reason. Indeed, if the proposed legislation was to be considered as a precedent for future policy it would mean, if it meant anything, that veterans and widows of veterans of other wars would be accorded similar treatment under like conditions. Until 1890 the pension of the Civil War veteran was $8 per month; the service pension of the Civil War veteran was fixed at $12 per month by the act of 1890. This was increased by several subsequent acts as the age of the veteran or widow of the veteran increased and their ability to earn decreased; the last increase, being under the act of 1920, increasing the pension of the veteran to $50 and the widow of the veteran to $30 per month.

Fifty-eight years have now elapsed since the Civil War ended. If the veterans and widows of veterans of other wars are required to wait 58 years before obtaining similar rates of pensions provided in the bill, there can be no justification to expect a $50,000,000,000 outlay unless we unfortunately become involved in other wars which are not now foreseen.

The chances are that the veterans of the World War will not demand service pensions until they have arrived at an age similar to those who have received service pensions subsequent to other wars. Whenever the time comes for the granting of a service pension to the World War veteran those who are now sitting in the legislative halls of the Government, and including those who now hold the reins of Government, will probably have little say in directing the policy of the country. Veterans will occupy senatorial and congressional seats, and very likely some veteran may be presiding at the While House. There is no reason to expect any greater extravagance from future generations than from the present or the past. There were 2,475,000 veterans at the end of the Civil War who if living to-day would have a pensionable status. All of the veterans of the World War, including the Army, Navy, and marines, number approximately 4,700,000, or less than twice the number of soldiers in the Civil War. Thus it may be reasonably expected that whenever service pensions are provided for the World War veterans we may expect a Budget of approximately double the amount which we have under the Civil War, and it will be increased proportionately with the age of the veteran and his ability to earn a livelihood.

The message further states:

> The more important objection to this act, however, lies in its loose provision for pensioning widows. The existing law makes the widow of a Civil War veteran eligible to a pension if she married him prior to June 27, 1905. In other words, marriage within 40 years of the end of the Civil War gives a veteran's widow a good title to a pension. The act returned herewith extends the marriage period specifically to June 27, 1915, and provides that after that date any marriage *or cohabitation for two years prior to a veteran's death shall make the widow the beneficiary of a pension at $50 per month for the remainder of her life.*

This portion of the message taken in connection with the statement "loose provision for pensioning widows"—and we all recognize what the word "loose" generally pertains to and its inferential meaning especially in this regard—in effect means that Congress has sought to legalize concubines. In other

words, that a woman who has cohabitated for two years with a veteran prior to the veteran's death shall make the widow the beneficiary of a pension at $50 per month. This is a serious charge and unfortunate. If it were true, certainly the Congress would merit a severe censure for attempting to encourage loosening the morals of the country. *No such provisions as quoted in the message is found in the bill.*

I read the provision of section 3, which is as follows:

That the rate of pension for the former widow of an officer or enlisted man who served in the Army, Navy, or Marine Corps of the United States for 90 days or more during the Civil War and was honorably discharged from such service, or who having so served for less than 90 days was discharged for a disability incurred in the service and in line of duty, or who died in the service of a disability incurred in the service and in line of duty, such widow having married the officer or enlisted man prior to June 27, 1915, *or if legally married after such date shall have subsequent to such marriage lived and cohabited with such soldier, sailor, or marine for a period of at least two years and continuing until his death.* * * *

Thus it will be seen that the purpose of this provision was in behalf of preventing fraud, the very opposite of what the message would seem to convey. The provision which I have just read requires an absolute compliance with the marriage vows. Under this provision a woman might marry a veteran and live with him faithfully as his wife for 20 years; if she left him prior to his death, she would not be eligible to receive a pension, even though such separation be no fault of hers. In view of the error contained in the message purporting to quote from the bill, it seems to me that some one has been "loose" outside of Congress.

In my opinion the President should correct this erroneous impression given the public, which has been broadcasted to the country on account of the erroneous quotation contained in the message. As evidence of this erroneous impression I received one letter from a poor old lady from New Jersey, in which, among other things, she says:

Do you think that clause, "woman living in open lewdness to be treated as a married woman," made him do that?

That is a sample of one letter. I have received a number of others which go to verify my statement as to the false impression which has been created and spread broadcast throughout the country by reason of an erroneous statement of fact contained in the message sent to this body by the President. I am sure that erroneous impression was not intentional nor intended to reflect upon Congress or the widows of veterans and the veterans of the Civil War. Somebody made a slip; somebody made a mistake; but nevertheless that mistake contained in the message is stated as a fact over the signature of the President and has gone to the country in that way.

Now, as to the proposed bill extending the time of marriage from 1905 to 1915, the only reason that may be assumed for extending the time is the very good one that nearly all such widows are now on the pension roll, having been granted pensions by special acts which passed both Houses. If there are widows who were married prior to 1915 and subsequent to 1905 who are not on the pension roll, it is because no Member of the House and no Member of the Senate has introduced bills to extend such pensions to them. I know that many thousands of bills have been passed since 1920, and that, as a practical proposition, nearly all of the widows who were married up to and including 1915 are now on the pension roll, and therefore no harm could come from extending the time until 1915 and no additional expense of any consequence would be involved.

The change with reference to the policy of pensioning widows was made by the House; the Senate bill provided for a limitation, applying the increase only to widows 62 years of age and over, and, as I recall, the remarried widows were left at $30. So far as the actual expense to the country is concerned, I do not consider it of any great moment; it is purely a question of policy upon which there may be honest differences of opinion. The salient fact, however, remains that, according to the report of the Pension Bureau, the average age of the widows on the pension roll in the month of February of last year was 73 years, and therefore it is fair to say that the average age of the widows of the Civil War veterans now on the pension roll is 74 years.

Reference is made in the message to a comparison of the Civil War widow with the widow of the World War. To my mind, the measure of relief should be in accordance with the established policy, namely, the ability of the beneficiary to earn and provide a livelihood. Outside of sickness, this ability is generally measured by the age of the beneficiary. The average age of the Civil War widow being 74 and that of the World War widow being nearer 24, it is manifest that a difference in rate may be justifiable.

Mr. President, I regret the fact that this bill has been disapproved, because it will disappoint so many aged veterans and widows who are undoubtedly in distress and in great need of the increase which this bill would have given them.

It may be true that the bill in its entirety is not all that it should be; of course it is not perfect; it is the product of compromise, which is usual with most legislation. I do not intend to attempt to secure its passage over the veto of the President; such course would not result in any accomplishment; but I do sincerely wish and hope there may be some legislation enacted at the present session which will grant an increase to the older veterans and the older widows who are now in distress, who are in great need, and whose allowance from the Government will not provide fuel, shelter, food, and medicine. I also hope that legislation may be enacted to make a more liberal and uniform allowance to minor children. It seems to me that the allowance for minor children should be uniform and equal as to all wars.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. BURSUM. I do not yield at this time, but will yield later.

The PRESIDING OFFICER. The Senator from New Mexico declines to yield.

Mr. BURSUM. Mr. President, we have appropriated $20,000,000 for the starving people of Russia; I agree we did right; it was a humane thing to do. Those unfortunate people were starving, and this country was in possession of a surplus of the resources which would save millions of women and children in Russia from starvation, and under the same identical humane policy it seems to me that we will be derelict in our duty if we fail to adequately provide, during the present Congress, for the aged veteran, and especially the aged widow, to the end that fuel, food, shelter, and medicine may be available to this class of our citizenship to whom the Government is obligated.

There is one thing we may count on, Mr. President, that the general who fails to feed and care for his troops will not win much of a victory when the battle is on. The successful functioning of a government depends upon patriotism; patriotism itself depends upon willingness to sacrifice. If you would have the people at all times stand four square for the Government, the Government in turn must show its appreciation of service and sacrifice by standing four square in return.

I now yield to the Senator from South Carolina.

Mr. DIAL. I should like to ask the Senator what pension the old soldier draws who lives in one of the Government soldiers' homes?

Mr. BURSUM. There is no distinction on that account. Not a very large number of the men live in the homes—only about 15,000 of them—and some of them have families to take care of.

Mr. DIAL. How much pension do they receive a month?

Mr. BURSUM. I think they receive the same as the other ex-soldiers; I do not know that there is any difference.

Mr. President, I should like to call attention to a few cases to show the conditions that exist. I might present as evidence 5,000 letters which I have received from all over the country. Here is a typical one from which I will read:

It is with a saddened heart I am writing to you in regard to the vetoing of your bill. My mother, who is 89 years of age and blind and also an invalid in bed, was praying for the passage of this bill and that it might be signed by the President. To be obliged to provide the necessities on $35 per month, with coal at $16 per ton, wood $22 per cord, and then no money to buy either.

That is merely one of the letters I have received; I have hundreds more, showing beyond any question that the majority of the aged widows are in dire need and suffering from the lack of means with which to procure shelter, food, fuel, and medicine. I submit, Mr. President, to permit such conditions to exist beyond the term of the present Congress will be a disgrace to the Congress and to the American people.

Mr. President, I am going to introduce another pension bill, which will be much more restricted than the former one. I am doing it for the reason that I conceive that an emergency, a great necessity, exists, and in order that there may be no reason for any delay in the passage of the legislation, the bill which I propose to introduce I will send to the desk in a few moments. I can not find it just now. It provides that the increase of pension shall be given to the veteran who has attained the age of 78 years or more and to the widow who has attained the age of 68 years or more, and also makes a slight increase as to minor children. The portion as to minor children, of course, would not affect the aged widows, but it would affect the younger widows who are charged with taking care of minor children of veterans of the war.

The bill (S. 4305) granting increase of pension to certain soldiers of the Mexican War and Civil War and their widows

and minor children, widows of the War of 1812, Army nurses, and for other purposes, was read twice by its title and referred to the Committee on Pensions.

Mr. BURSUM. I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement as to early pension legislation, and some statistical matter bearing on the subject which I have discussed.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

EARLY PENSION LEGISLATION.

It will be of interest to know that the foundation of our present pension system is older than the Declaration of Independence.

The first national pension law was passed August 26, 1776, before our independence was established. But prior to this, early in the history of colonial legislation, many of the English colonies in America had provided for the relief of wounded and maimed soldiers.

In 1636 the Pilgrims at Plymouth enacted in their courts that any man who should be sent forth as a soldier and return maimed should be maintained competently by the colony during his life. This was probably the first pension law passed in America. In 1676 a standing committee of the general court of Massachusetts Bay held regular meetings in "Boston toune house" to hear the applications of wounded soldiers for relief. After the union of Massachusetts Bay and Plymouth colonies under the charter of 1691 the Province continued to make provision for the relief of disabled soldiers out of the public treasury.

In 1644 the Virginia Assembly passed a disability pension law, and later provision for the relief of the indigent families of soldiers who should be slain. Similar acts are found in the colonial statutes of Maryland and New York in the latter part of the seventeenth century. In 1718 Rhode Island enacted a pension law which provided that every officer, soldier, or sailor employed in the colony's service who should be disabled by loss of limb or otherwise from getting a livelihood for himself and family or other dependent relatives should have his wounds carefully looked after and healed at the colony's charge, and should have an annual pension for the maintenance of himself and family or other dependent relatives. The law further provided that if any person who had the charge of maintaining a wife, children, parents, or other relatives should be slain in the colony's military service these relatives should be maintained while unable to provide for themselves.

The above shows that the custom of pensioning soldiers is as old as the English settlement.

The first national pension law, that of August 26, 1776, promised half pay for life or during disability to every officer, soldier, or sailor losing a limb in any engagement, or being so disabled in the service of the United States as to render him incapable of earning a livelihood.

On August 24, 1780, a resolution was adopted extending the above half-pay provision to the widows or orphan children of such officers as had died or should die in the service. This was the first national pension law in behalf of widows and orphans.

On April 23, 1782, Congress provided that soldiers who were sick or wounded or unfit for duty should receive a discharge and be pensioned at the rate of $5 per month. It is further shown that history is repeating itself, as Congress was as unable at that time as at the present to enact pension laws that were in all respects satisfactory to the masses. The money was not always in the Treasury to pay the pensions after the same had been granted, much being promised but little realized. Many were paid in commutation certificates payable to them or bearer and drawing interest at 6 per cent, but no provision was made for paying either. Many of these were compelled to part with their certificates as low as 12½ cents on the dollar.

TABLE OF RATES.

TABLE I.—*For simple total (a disability equivalent to the ankylosis of a wrist) provided by section 4695, Revised Statutes, United States.*

	Per month.
ARMY.	
Lieutenant colonel and all officers of higher rank	$30.00
Major, surgeon, and paymaster	25.00
Captain, provost marshal, and chaplain	20.00
First lieutenant, assistant surgeon, deputy provost marshal, and quartermaster	17.00
Second lieutenant and enrolling officer	15.00
All enlisted men	8.00
NAVY AND MARINE CORPS.	
Captain and all officers of higher rank, commander, lieutenant commanding, and master commanding, surgeon, paymaster, and chief engineer ranking with commander by law, lieutenant colonel, and all of higher rank in Marine Corps	30.00
Lieutenant, passed assistant surgeon, surgeon, paymaster, and chief engineer ranking with lieutenant by law, and major in Marine Corps	25.00
Master (now lieutenant, junior grade), professor of mathematics, assistant surgeon, assistant paymaster, and chaplain, and captain in Marine Corps	20.00
First lieutenant in Marine Corps	17.00
First assistant engineer, ensign, and pilot, and second lieutenant in Marine Corps	15.00
Cadet midshipmen, passed midshipmen, midshipmen clerks of admirals, of paymasters, and of officers commanding vessels, second and third assistant engineers, master's mate, and warrant officers	10.00
All enlisted men, except warrant officers	8.00
INVALID.	
Indian wars:	
Acts July 27, 1892, June 27, 1902, and May 30, 1908	8.00
Act of Feb. 19, 1913	20.00
Mexican War:	
Act Jan. 29, 1887	8.00
Acts Jan. 5, 1893, and Apr. 23, 1900, certain survivors	12.00
Act Mar. 3, 1903, all survivors	12.00
Act Feb. 6, 1907—	
At 62 years	12.00
At 70 years	15.00
At 75 years or over	20.00
Act of May 11, 1912	30.00
Civil War:	
Act June 27, 1890, in its original form, and also as amended by the act of May 9, 1900	$6.00–12.00
Act Feb. 6, 1907—	
At 62 years	12.00
At 70 years	15.00
At 75 years or over	20.00
Act of May 11, 1912. (See sec. 445, p. 136.)	
Army nurses:	
Act Aug. 5, 1892	12.00
Navy service pensions:	
Section 4756, Revised Statutes, for 20 years' service, one-half the pay of rating at discharge.	
Section 4757, Revised Statutes, for 10 years' service, not to exceed the rate for total disability.	
(See sec. 451, p. 137.)	
WIDOWS AND MINORS.	
Revolutionary War:	
Act Mar. 9, 1878, widows only	8.00
Act Mar. 19, 1886, widows only	12.00
War of 1812:	
Act Mar. 9, 1878, widows only	8.00
Act Mar. 19, 1886, widows only	12.00
Indian wars:	
Acts July 27, 1892, June 27, 1902, and May 30, 1908, widows only	8.00
Act Apr. 19, 1908, sec. 1, widows only	12.00
Mexican War:	
Act Jan. 29, 1887, widows only	8.00
Act Apr. 19, 1908, sec. 1, widows only	12.00
Civil War:	
Section 4702, Revised Statutes, widows and minors, same rates as in Table 1.	
Act Mar. 19, 1886, widows and minors	12.00
Act June 27, 1890, in its original form, and as amended by the act of May 9, 1900	8.00
Act Apr. 19, 1908	12.00

From and after July 25, 1866, a widow is entitled, under the provisions of section 4703, Revised Statutes, to the sum of $2 per month additional on account of each legitimate minor child of the deceased soldier or sailor (in her care and custody, if by his former marriage) until such child reaches the age of 16 years. Where the widow has died, remarried, or has no title, the minor children under 16 years of age succeed to the widow's rights.

In claims under the act of June 27, 1890, both in its original and amended forms, the additional pension of $2 per month is granted. In addition, provision is made in said act for the continuance of pension granted to an insane, idiotic, or otherwise physically or mentally helpless minor child, during its life or during the period of disability. This proviso is applicable to minors' claims under any statute.

DEPENDENT RELATIVES.

Section 4707, Revised Statutes, in its original form, and as amended by sec. 1, act June 27, 1890, same rates as in Table 1.	
Act Mar. 19, 1886	$12.00

RATES FOR OFFICERS, SECTIONS 4692 AND 4693, REVISED STATUTES.

Rates for officers in claims under sections 4692 and 4693, Revised Statutes, shall be one-quarter, one-half, three-quarters, and total. Officers below the rank of first lieutenant may receive rates in fractions of 18 in excess of their total.

Section 4699, Revised Statutes, provides that the rate of $18 per month may be proportionately divided for any degree of disability established for which section 4695 makes no provision, thus fixing the highest rating provided by existing laws which can be allowed by considering disabilities separately and compounding so as to allow the full amount which the disabilities so considered would aggregate.

The act of March 2, 1895, provides that all pensioners now on the rolls who are pensioned at less than $6 per month for any degree of pensionable disability shall have their pensions increased to $6 per month; and that, hereafter, whenever any applicant for pension would, under existing rates, be entitled to less than $6 for any single disability or several combined disabilities, such pensioner shall be rated at not less than $6 per month: *Provided also*, That the provisions hereof shall not be held to cover any pensionable period prior to the passage of this act, nor authorize a rerating of any claim for any part of such period, nor prevent the allowance of lower rates than $6 per month, according to the existing practice in the penion office in pending cases covering any pensionable period prior to the passage of this act.

WIDOWS.

The widow of a soldier or sailor who died of a disability incurred while in the service and in line of duty is, under the provisions of section 4702, Revised Statutes, entitled to the rating to which he would have been entitled for a simple total disability, as shown in Table I; and under the provisions of section 4696, Revised Statutes, the rank of the soldier is determined by the rank held by him when death cause was incurred, without regard to subsequent promotions.

From and after March 19, 1886, by the act approved on that date, the widow of a private or noncommissioned officer is entitled to $12 per month, provided that she married deceased soldier or sailor prior to March 19, 1886, or thereafter married him prior to or during his term of service.

WIDOW'S INCREASE.

From and after July 25, 1886, a widow is entitled to $2 per month increase for each legitimate minor child of the soldier or sailor in her care and custody.

MINOR'S PENSION.

Same rates and increase as in widows' claims, except that in cases of children of fathers below the rank of a commissioned officer the rate is increased to $12 per month from March 19, 1886, without regard to date of soldier's or sailor's marriage.

MOTHERS, FATHERS, BROTHERS, AND SISTERS.

Same rates as provided in minors' and widows' claims in cases of commissioned officers, and $8 per month to March 19, 1886, and $12 thereafter in other cases.

Pensions based upon service performed since March 4, 1861 (act of June 27, 1890, as amended by the act of May 9, 1900):

	Per month.
Survivors	$6 to $12
Widows and minors	8

To widows' and minors' rate add $2 per month increase for each legitimate minor child of soldier under the age of 16.

(Act of August 5, 1892.)

Female nurses	$12

(Act of March 2, 1867 (Navy only).)

For 20 years' naval service, entitled to one-half the pay he was receiving at date of discharge.

Ten years' service, whatever rate may be allowed by a board of officers appointed by the Secretary of the Navy, not to exceed rate for total disability.

If in addition to service pension sailor is pensioned for disability, the service pension covering the same time shall not exceed one-fourth the rate allowed for disability.

NOTE.—Claims under this act should be filed with the Secretary of the Navy.

Pensions based upon service performed prior to March 4, 1861:

REVOLUTIONARY WAR.

There are no survivors of this war.

Widows, from Mar. 9, 1878, $8, and from Mar. 19, 1886	$12

WAR OF 1812.

(Sections 4736 and 4740, Revised Statutes, and acts of March 9, 1878, and March 19, 1886.)

Survivors	$8
Widows, from Mar. 9, 1878, $8, and from Mar. 19, 1886	12

Indian wars, from 1832 to 1842 (act of July 27, 1892).

Survivors	$8
Widows	8

MEXICAN WAR.

(Act of January 29, 1887.)

Survivors	$8
Act of Jan. 5, 1893, provides, under certain conditions, for increase of survivor's pension only to	12
Widows	8

Acts of February 6, 1907, and March 4, 1907.—By the terms of these acts any person who served 90 days or more in the military or naval service of the United States during the late Civil War, and who has been honorably discharged therefrom, is entitled to a pension at the following rates, irrespective of rank: At 62 years of age, $12 per month; 70 years of age, $15 per month; 75 years or over, $20 per month. Pension commences from the date of filing claim in the Bureau of Pensions, subsequent to February 6, 1907, after attaining the specified age.

The bases of title under these acts, except as herein otherwise stated, are the same as under the act of June 27, 1890, as amended by the act of May 9, 1900.

Act of May 11, 1912.—By the terms of this act any person who served 90 days or more in the military or naval service of the United States during the late Civil War, and who has been honorably discharged therefrom, is entitled to a pension at various rates, irrespective of rank, based upon age and length of service, as follows:

Age.	90 days.	6 months.	1 year.	1½ years.	2 years.	2½ years.	3 years.
62	$13	$13.50	$14	$14.50	$15	$15.50	$16
66	15	15.50	16	16.50	17	18.00	19
70	18	19.00	20	21.50	23	24.00	25
75	21	22.50	24	27.00	30	30.00	30

INCREASED RATINGS TO CERTAIN SURVIVORS OF THE CIVIL WAR; AMENDING ACT OF MAY 11, 1912.

(Act of June 10, 1918 (40 Stat. L. 603).)

That the general pension act of May 11, 1912, is hereby amended by adding a new section, to read as follows:

"SEC. 6. That from and after the passage of this act the rate of pension for any person who served 90 days or more in the military or naval service of the United States during the Civil War, now on the roll or hereafter to be placed on the pension roll and entitled to receive a less rate than hereinafter provided, shall be $30 per month. In case such person has reached the age of 72 years and served six months, the rate shall be $32 per month; one year, $35 per month; one and a half years, $38 per month; two years or over, $40 per month."

(Act of September 8, 1916.)

This act increased the pensions of Civil War and Mexican War widows and widows of the War of 1812 to $20.

(Act of October 6, 1917 (40 Stat. L. 408).)

That from and after the passage of this act the rate of pension for a widow of an officer or enlisted man of the Army, Navy, or Marine Corps of the United States who served in the Civil War, the war with Spain, or the Philippine insurrection, now on the pension roll or hereafter to be placed on the pension roll, and entitled to receive a less rate than hereinafter provided, shall be $25 per month.

(Act of May 1, 1920.)

This act increased the rate of pension of Civil War soldiers who served 90 days and were honorably discharged to $50 a month, and if helpless to $72. The widows of such soldiers were given $30 a month.

ORDER FOR RECESS.

Mr. JONES of Washington. I ask unanimous consent that when the Senate closes its business to-day it recess until 12 o'clock to-morrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

PROPOSED INTERNATIONAL ECONOMIC CONFERENCE.

Mr. CAPPER. Mr. President, I desire to present to the Senate a resolution adopted a few days ago by the Ford County Farm Bureau of Kansas. It is very much the same as many others I have received from farm organizations in the West which want our Government to call an economic conference.

The resolution reads:

The Ford County Farm Bureau members, assembled in annual meeting, believe that everything necessary should be done to restore the farmers' market. For our surplus production this market is overseas.

We can not recover those markets till Europe recovers stability. We therefore urge that the President of the United States at an early date summon a financial and economic conference at Washington, especially inviting those nations of Europe that are natural customers of the American farmer.

We realize that the question of the German reparations to France, Belgium, Italy, and England and the allied indebtedness to the United States are inextricably interwoven. We can not hope for a return of financial and political stability to Europe and a return of prosperity to the farmer until these questions are adjusted. We therefore urge a review of those questions and the submission of such concessions as will promote tranquillity and stability in Europe, and thereby restore those markets to our farmers.

We demand the repeal of the foreign debt funding law or such amendment as will give the President liberty of action to make necessary concessions to our customers.

We direct the president of the Ford County Farm Bureau to send a copy of these resolutions to President Harding and Secretary Hughes, to Senators CURTIS and CAPPER, and to Congressman TINCHER.

Then I have a letter from the American National Live Stock Association, signed by the secretary of the association, as follows:

AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
OFFICE OF THE SECRETARY,
Denver, Colo., January 6, 1923.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR CAPPER:

* * * I am firmly convinced that to-day the live-stock and agricultural producer of the West does realize the importance of an export business and is firmly of the opinion that the most speedy approach to the solution of the surplus agricultural production question in the United States is through an economic conference, held in the United States, at which the United States should be represented by its ablest statesmen, financiers, and business men. If, in connection with such a conference or growing out of it, a solution of the reparations problem in Europe could be found, I believe there is no doubt in the minds of those of us in the West that a very great and immediate change would come in agricultural prices.

We must all face the fact that America is a surplus agricultural producer; and the sooner Europe can be put in a position to buy our agricultural products, which she so sorely needs, so much sooner will the proper equilibrium between agricultural and manufactured goods be reached here. On the establishment of such an equilibrium must any permanent prosperity rest.

With kindest regards, believe me, yours very sincerely,

T. W. TOMLINSON, *Secretary.*

Then I have a letter from the American Cotton Association, signed by its president, J. S. Wannamaker, of St. Matthews, S. C., as follows:

AMERICAN COTTON ASSOCIATION,
St. Matthews, S. C., December 29, 1922.

Hon ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER:

* * * I learn that Senator BORAH'S amendment has been withdrawn, with the understanding that similar steps are being taken through official circles. Longer delay of this matter is dangerous; and should the efforts which it is stated the administration is making fail to promptly bring about a restoration of peace and the opening of these markets, I sincerely hope that you will use your very best efforts to have Senator BORAH'S amendment for an economic conference reintroduced, or some similar measure for the same purpose. We can not hope for relief of these distressed conditions now existing throughout the Nation until these markets can be opened. Neither agriculture nor business can proceed with any degree of intelligence or safety. The farmer fears that there will be a repetition of his experience of past years and that there will be no market for his product except at a price far below the cost of production. Various divisions of industry extending credits on these uncertainties fear to extend same, as they are already loaded with a vast amount of unpaid obligations as a result of the fearful losses for the last several years.

There is nothing so important to American agriculture and commerce to-day, in fact, to our civilization and the commerce and civilization of the entire world, than a full reestablishment of our foreign markets, which can only come about through a reestablishment of a world's economic peace. There is nothing to which the Senators can give their attention that is of greater moment to the American people in a practical way than the creation of international relations that is precedent to the reestablishment of foreign markets. There is nothing in the world that affects our credits so much as the shrinking of foreign markets for our products.

* * * * * * *

It seems to be the consensus of judgment of those who have given thought and study to this problem that the only possibility of restoring peace and opening the markets and bringing about these conditions will be by America taking an active part in a world's economic conference; and aside from this, the absolute failure to bring about restoration of peace on the part of the other nations plainly shows that it would only be possible to bring about such conditions by America taking an active part in a world conference for this purpose.

The entire world has already paid a fearful penalty as a result of the failure to bring about these conditions. While our entire Nation, with the world at large, has been made to suffer, no section of our

entire Nation has been made to pay a more fearful penalty than the agricultural sections, and the appalling conditions existing to-day should impress everyone with the fact that this problem is nonpolitical and nonsectional. The restoration of peace and the opening of foreign markets is a world-wide necessity.

I sincerely hope that you can take an active part in supporting the movement started by Senator BORAH for this purpose.

* * * * * * *

Very sincerely, J. S. WANNAMAKER,
President American Cotton Association.

Then I have a letter from Clarence Poe, an agricultural leader in the South, head of one of the leading farm organizations and president and editor of the Progressive Farmer, in which he says:

THE PROGRESSIVE FARMER,
Raleigh, N. C., January 5, 1923.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR CAPPER: I believe the people of North Carolina, farmers and all, want to see the United States Government participate in the proposed economic conference and do everything else in its power to get Europe on a sound industrial basis.

It looks to me that France, if let alone and permitted to adopt the most extreme measures in dealing with Germany, will bring virtual ruin on herself and involve all the rest of the world besides. She is likely to kill the goose that lays her golden eggs by forcing Germany into virtual anarchy, with consequent industrial disaster for a long time. This will hold back the prosperity of the world. Moreover, if she takes over the richest portion of Germany she will create another Alsace-Lorraine, and sooner or later this is likely to bring another World War, and the United States may be called on to lose more, both in blood and treasure, than in the last war.

I am extremely gratified, Senator CAPPER, to find you giving serious thought to this entire situation. I am also gratified to see that President Harding and Secretary Hughes seem to be getting ready to do something.

As I see it, delay means economic disaster and not unlikely the seed sowing of another war.

Yours sincerely, CLARENCE POE,
President and Editor.

Mr. President, at the beginning of another year, four years after the Great War, we find Europe sinking deeper and deeper in the pit dug by her war lords, while it becomes increasingly compulsory that all nations rededicate themselves to thrift and industry.

The big question forcing itself upon our attention at this moment is, Shall we try to help Europe settle her economic troubles; shall we do all we reasonably and properly can to save Europe from financial and commercial smash, and ourselves from the consequences of such a disaster; shall we see what further may be done through conference, through further reduction of armaments, and through other means to deliver Europe from the quicksands of inflation and our farm industry from a crushing depression; or shall we let the situation grow steadily worse, while we look about us unavailingly for some means to protect ourselves from serious injury when the grand smash comes?

With two facts made unmistakably plain, I think we can and should do something. The first is that Europe's war loans shall on no account be canceled; the other is that we shall make no political alliances nor assume any obligations of the treaty of Versailles protecting Europe's territorial boundaries. It should be well understood from the beginning that the United States will not consent to be made the burden bearer of European indebtedness, nor will we sponsor European obligations. If this country is to have any part in the financing of Europe, it must be done through American business men and not through the United States Treasury.

On a firm basis of such an understanding American good will and American common sense might well go the limit to uphold America's traditional policy of peace on earth, good will toward men and nations. I believe we have everything to gain and nothing to lose by such a course.

Mr. President, we have been trying to do something here to place American agriculture on a firmer basis than before, and among these things to help the farmer in his greatest problem of all, which is not production but marketing his products. We have done something and we can do more, but we recognize that farm marketing is not entirely a domestic problem. For important American farm products a foreign market which is dependable is vital to the farmer's prosperity. We do not need to say that where the farmer produces a surplus over the consumption of the United States it is this surplus that determines what he receives even for the portion consumed in the United States and so for the whole; and American farms during the entire history of the country have produced the main part of our export goods and have given us our favorable balance of trade. This has always been the case and is to-day. The farmer's foreign market is not in the new parts of the world. These newer countries are his competitors. We do not ship farm products to Australia, but to those countries that are becoming more and more industrial and relatively less and less agricultural.

The industrial countries of northern and western Europe are in large measure dependent upon us for food. These are the countries that to-day, after three years of repeated efforts, have not been able to reach a settlement of the terrible problems left by war. Their people can not pay for the food supplies which they required prior to the war. They can not become the dependable market that we were accustomed to before the war until these problems are settled, so that they may return to something like a normal industrial life.

The nation-wide interest in the amendment of the Senator from Idaho [Mr. BORAH] proposing a world economic conference, indicates a number of things. In the first place, it indicates a growing realization that our material prosperity, particularly that of the farmer of the Middle West, depends to a large degree on the economic health of Europe. As long as the reparations question is unsettled, and as long as budgets are unbalanced and currencies are depreciated, the rehabilitation of Europe is impossible and our prosperity will lag. We have come to recognize that economic distress in Europe means the absence of prosperity in many quarters of the United States. The economic life of the world is interrelated, and what happens in one country affects in a greater or less degree conditions in another. There are undoubtedly certain things which European nations must do toward putting their own houses in order before the United States can be helpful in a fundamental way, but there are certain things which can be done now to contribute to the solution of the perplexing European problem.

The second thing indicated by the public interest in the proposal of the Senator from Idaho is that the American people have a deep-seated interest in cooperation with other nations in the settlement of essential international questions. The American people are interested in a program which will contribute to world stability and peace. Their support of the work of the arms conference is adequate proof of this statement. They rejected the League of Nations chiefly because it was associated with a dictated and unjust peace, and their position has been amply justified by the experiences of Europe during the years which have intervened. Their rejection of the League of Nations, however, does not mean that they are opposed to the principle of cooperation in the settlement of international issues which contribute to war. They are willing to play a part in any program which looks toward the establishment of peaceful and just relations among the peoples of the earth.

Mr. President, I do not say that we have any specific solution for Europe's economic difficulties. Unlike the armament conference, we may have no definite program to offer at the outset. We have our good will and our disinterestedness. These are recognized. We have no selfish interest to serve. Our interest is the recovery of Europe. We look for no advantage that is not primarily dependent upon Europe's economic stability and prosperity. The fundamental problem of the amount and period of payment of German reparations is one in which we are only indirectly interested. We are not asking payments out of German reparations, and are concerned in this question only to the extent that it is an underlying factor of Europe's prostration. If the President calls a conference it will be as the friend of Europe and it will be so recognized.

Mr. President, any plan looking toward the solution of the European economic tangle would probably benefit the farmer sooner than any other American producer. His markets are demoralized most by existing situations. For more than two years Europe's disturbed state has been increasingly felt on this side of the Atlantic in our persistently demoralized markets. Something must be done to restore Europe's purchasing power. Something must be done to make a market for American products. Fifteen per cent of our farm output must find a market outside of the United States if we are to save our farm industry and properly maintain our own food supply. There can be no permanent solution of our own production and marketing problems until something approaching our normal trade relationships with foreign nations is restored. Our "trade circle" is at present deadlocked. A revival of export demand would be of immense and immediate benefit to the agricultural West. Now Europe starves, our surplus products rot, and without an adequate outlet for them no other practicable means can be devised to reestablish the one industry upon which our national well-being so certainly depends. It is as necessary to take care of and to dispose of this 15 per cent surplus as it is to market the 85 per cent which makes our existence possible. We must keep in mind at all times that the price of the surplus sets the price of all.

Mr. President, seemingly, at the beginning of the new year we have arrived at another one of those epochal moments in history when a wavering, uncertain world either chooses to do what is right with a prescience and unity almost God given, or fails to grasp the golden opportunity and afterwards atones for that failure by long years of hardship and suffering.

"Be sure you're right, then go ahead," is a time-proved American axiom; an American policy which came out of our experience in dealing with the warring red man. Paul Jones and Farragut proved it on the seas; Washington and Jackson and Scott and Sherman and Sheridan and Grant on the battle field; Monroe and Webster and Hay and Roosevelt and Hughes in shirt-sleeve diplomacy—the strictly American kind. This sort of American boldness has won peace greater victories than any ever won by war.

Secretary Hughes's speech and immediate announcement of the American program at the opening of the disarmament conference is a recent example of this traditional straightforward boldness, which, being sure that it is right, dares to go straight ahead. Europe's diplomats gasped when the American Secretary of State proposed out of hand to scrap more than a score of this country's warships; then they accepted the terms he laid down.

What took these veteran and seasoned diplomats off their feet was the straightforward sincerity of these proposals and their own knowledge that this program was not inspired by either purpose or desire to gain an advantage. The arms limitation conference of last year convinces me that the nations can get together here at Washington and actually agree on major economic questions. As I ardently welcomed the first proposal of the disarmament conference called by the President a year ago to consider the reduction of navies and naval programs, also to discuss the problems of the Far East and of the Pacific, I now welcome this further step for the reconstruction of Europe and the betterment of our own and world conditions, believing the time is ripe for such foresighted action and the need of it most pressing.

Mr. President, we have seen at the disarmament conference how this frank courage and common sense again got results. As a direct consequence of that conference we have good reason to hope there will be no war in the Pacific such as was previously declared inevitable between this country and Japan. In good faith Japan seems to be making all her pledges. And while Japan goes right ahead carrying out the Washington disarmament pact, the Japanese representative at the Lausanne conference rises to his feet to second the American ambassador's demand for the "open door" in all settlements between Turkey and Europe.

Mr. Hughes's New Haven address on December 29 contains suggestions which, if followed, will prepare the way for a world economic conference. The address also is important in that it indicates the willingness of our Government to be helpful in the solution of the perplexing problems of Europe.

It is idle to say—

Mr. Hughes remarks—

that we are not interested in these problems, for we are deeply interested from an economic standpoint, as our credits and markets are involved, and from a humanitarian standpoint, as the heart of the American people goes out to those who are in distress. We can not dispose of these problems by calling them European, for they are world problems, and we can not escape the injurious consequences of a failure to settle them.

Referring to the problem of the debts of the allied countries to the United States Government, Mr. Hughes has this to say:

There has been a persistent attempt ever since the armistice to link up the debts owing to our Government with reparations or with projects of cancellation. This attempt was resisted in a determined manner under the former administration and under the present administration.

Referring to the present situation in Europe, Mr. Hughes's words are these:

We have no desire to see Germany relieved of her responsibility for the war or of her just obligations to make reparation for the injuries due to her aggression. On the other hand, we do not wish to see a prostrate Germany. There can be no economic recuperation in Europe unless Germany recuperates. We should view with disfavor measures which instead of producing reparations would threaten disaster.

But the situation does call for a settlement upon its merits. The first condition of a satisfactory settlement is that the question should be taken out of politics.

The fundamental condition is that in this critical moment the merits of the question as an economic one must alone be regarded.

Why should they not invite men of the highest authority in finance in their respective countries—men of prestige, experience, and honor—that their agreement upon the amount to be paid and upon a financial plan for working out the payments would be accepted throughout the world as the most authoritative expression obtainable? I have no doubt that distinguished Americans would be willing to serve in such a commission.

Mr. President, these words of Mr. Hughes embody a first step in a program which will be constructively helpful to Europe. They show a sympathetic attitude.

The United States in a world-wide economic conference should be the most powerful influence for world-wide, and especially European disarmament. With disarmament would come a tremendous reduction in governmental expenditures and a corresponding increase of ability among European nations to pay the debts they owe the United States.

It may be said that if the nations of Europe can not see that it would be to their advantage to disarm, they would heed no suggestions from the United States. Such reasoning is not sound. These nations are obsessed with the hate which is born of fear. They profoundly distrust each other, but they instinctively trust the United States, because they know that we have no part or lot in their feuds, nor are we concerned in their boundary disputes or selfishly affected by the righting of their wrongs, real or imaginary.

Armaments exist because economic and political problems are unsettled. Peace will not come until security is established, and security will not be established until just means are found for the settlement not only of the problems of Europe but of the greater economic problems of the world. Sooner or later the nations of the world will have to sit around a table and discuss, just as they did in the arms conference, the great underlying economic issues which, if allowed to remain unsettled, become political issues and lead to conflict and war.

All of the best minds of Europe know that real prosperity is contingent upon peace and good will, but none dare to offer the hands of friendship for fear their neighbor will take advantage of the fact that the hand is not the gun; so prosperity waits, while fear rules, with hate and suspicion as her handmaidens.

A world economic and armament-limiting conference to be called at an early date seems to be the only practicable means to be invoked for preventing war-wrecked Europe from going on the rocks and plunging us all into economic chaos. No country, however well circumstanced, could hope to escape with much more than its life from the tidal wave of such a catastrophe.

The world over, the problem is the reduction of tax burdens, the restoration of fiscal sanity to Europe, the settlement of the German reparations, the further reduction of armament and of military personnel—a complete return to the settling conditions of peace, industry, economy, and thrift. Europe knows this as well as we know it. Another international conference at this time would do much to bring this about through helpful understanding.

It is said that all these questions are for Europe's statesmen and not for America, and if conference after conference of European premiers has failed to find a solution of German reparations, which are said to be the underlying difficulty, it is for Europe's statesmen to reach agreement, and if they fail at home they will fail at Washington.

Mr. President, I have a hope that the atmosphere of Washington of American disinterestedness will prove helpful. I am willing at least that we should invite such a conference in the hope that with America present there will be a new and needed element that with no self-interest to serve, timely suggestions will come out during the conference that will help to compromise rival interests and bring about a basis of settlement. I do not know that the presence of Ambassador Child at the Lausanne conference has prevented disagreement or been a great factor in holding that conference together and preventing its breakup in failure, but I believe it has been helpful, and that a conference called by the President and held in Washington will in some way, but to a much greater extent, enable American wisdom, the best we have, to promote agreement where there is disagreement growing apparently more intractable rather than less as time goes by.

Mr. President, we can not imitate the ostrich and maintain either that there is no grave crisis to ourselves and the world growing out of European unsettlement, or that Europe is making slow but steady progress in working out her own salvation. We can not close our ears to the reports we hear on every hand that Europe is slipping down into an abyss, that a final crisis may at any time occur, when such an effort as we are now debating may be too late. I say nothing of a duty of idealism to come to Europe's rescue for its own sake alone. A policy of prudence, if nothing more, commends this proposal to me. But as an American I would welcome action on the part of our Government which in the outcome might, as I believe it has more than a fair prospect of doing, prove the turning point of the recovery of Europe, and so of the world, and again enable our country to fulfill its destiny of disinterested service to all countries and all peoples.

Mr. STERLING. Mr. President, I send to the desk an amendment intended to be proposed to the Agricultural appropriation bill. I ask that it may be printed and lie on the table.

The VICE PRESIDENT. It will be printed and lie on the table.

Mr. JOHNSON. Mr. President, I have listened with great interest to the very able address of the distinguished Senator from Kansas [Mr. CAPPER]. I am reminded of an occasion when I was Governor of the State of California, and an application was made by an individual for appointment in that State, an individual whom I did not know. I wrote to a mutual acquaintance and asked him concerning the individual who was making the application, and asked whether or not he possessed the requisite qualifications for the position to which he aspired. The reply came that, aside from the fact that he was dishonest, untruthful, and disreputable, he was a very excellent gentleman.

I have listened to the reasons which were given by the Senator from Kansas for favoring an economic conference and what he said would not under any circumstances do or permit to be done. As I recall his remarks, he said that he would not tolerate any cancellation of the debt, no alliances would he permit, no foreign commitments of any sort, nor would he tolerate incurring any obligations of any kind or of any character. But he would hold a conference.

What remains? There remains only that of which we are always prolific—there remains good advice—that and that alone; for if we hold a conference wherein we forbade cancellation of indebtedness; wherein he forbade, as the Senator said, any further obligations of any kind or character; wherein we would permit no alliances of any sort, and wherein we would tolerate no foreign commitments at all, nothing would remain for us to do except that which we are at liberty to do to-day. I will unite with the Senator from Kansas in utilizing the cables across the Atlantic to convey his advice, or that of any other Member of the Senate, or of any other American, to any court in Europe. That is the suggestion, I think, of the address of the Senator from Kansas.

Mr. ROBINSON. Mr. President, with the controversy between the Senator from Kansas [Mr. CAPPER] and the Senator from California [Mr. JOHNSON] I am not intimately concerned. The Senator from California, it seems, charges that the Senator from Kansas is willing to hold an economic conference; indeed, that he is anxious to do so, provided it be stipulated in advance that no economic questions shall be discussed and no action taken respecting any subject at issue. The Senator from California says that he is heartily in favor of Senators and others, representative of the Government of the United States, communicating their advice to European courts, provided it be understood that the advice be rejected, and that if rejected we take no action and make no further recommendation, and in that respect both propositions, of course, must fail of any useful purpose.

It may be significant to remark at this time that a proposal for an economic conference was pending in the Senate a few days ago, submitted by the Senator from Idaho [Mr. BORAH]. Upon assurance from the Senator from Indiana [Mr. WATSON] and the Senator from Massachusetts [Mr. LODGE] and perhaps other Senators that the adoption of the amendment providing for an economic conference would embarrass the administration and interfere with its plans for dealing with foreign problems the proposal was withdrawn, and no question of that nature is pending.

The press of the country reported this morning that it is the policy of the State Department and of the President to ignore the resolution recently adopted by the Senate advising or requesting the President to withdraw from German territory American troops now stationed there. The policy of maintaining an American Army on the Rhine, while avowing the purpose not to interpose in threatened ruptures between European nations, is incomprehensible to the finite mind. It must be that unpublished circumstances and facts unknown to the Senate and the rest of mankind generally underlie the course in which Secretary Hughes is drifting. Not only to the general public but, apparently, to the best-informed citizens who are not in the Secretary's confidence, aimlessly marching up the hill and down again is far more hazardous and likely to bring trouble than the announcement and pursuit of a definite and frank policy.

I call now upon the champions of the policy of nonparticipation in European problems, I call upon those who advocate that the United States shall stand aloof while with measured tread the armies of Europe again advance to conflict, to explain why the United States should maintain in the storm center a small military force, and thus invite conditions and actions which will render it difficult if not impossible for this Government and our people to escape involvement in threatened European war.

Manifestly, if we were not to take part in the settlement of acute European disputes which grew out of the war, we ought to have withdrawn our troops when we refused to ratify the treaty of Versailles and adopted the policy of nonparticipation in European affairs. It is not sufficient to answer that either France or Germany, or both of them, were gratified at the presence of American troops on the Rhine, for these nations preferred that our Government become a party to the Versailles treaty and take membership on its commissions created to settle reparations and other disputes.

The policy pursued, if it can be defined as a policy, has been anomalous in the extreme. After refusing for two years to go in we decline to come out. Having declined to interfere, or even to intercede, in threatened clashes between European governments, we have kept an Army in the storm center, and now, as the French advance into the Ruhr, the "best mind" in American diplomacy declares we must hold our little Army on the Rhine in the position where it will most likely become involved in hostilities. The President in his letter to the Senator from Massachusetts, Mr. LODGE, impliedly requested permission to appoint an official representative on the Reparation Commission. That request has not been acceded to, for the reason that Secretary Hughes has announced in the public press that the proposed action by Congress comes too late to afford relief, if, indeed, at any time heretofore it would have been advisable. No longer than three days ago, Saturday, the 6th of January, the Senate, by almost a unanimous vote, adopted a resolution requesting the President to withdraw American troops from Germany, which action manifestly should have been taken long ago, in view of our pretended desire not to take any part in European controversies. In this morning's press it is announced, upon the alleged authority of the State Department, that the resolution requesting the President to bring home from Germany American troops now stationed there will be ignored to avoid antagonizing France before that Government ratifies the five-power naval treaty and the four-power pact negotiated through the Washington conference. France has refused the only plan proposed by Secretary Hughes for averting pending conflict between France and Germany—that is, the creation of an international commission of high financial authority to adjust reparations.

The Borah amendment proposing an economic conference was withdrawn from the Senate. The bill granting the President authority to appoint official representatives of the Government to serve on the Reparation Commission has not yet been disposed of. The President impliedly requested the Congress to grant him that authority. The press reports indicate that the Secretary of State does not want the President of the United States authorized to take that course even should the President find it necessary or advisable now or in the future to appoint an official representative of the Government on the Reparation Commission.

Here let me say, passing over the question as to whether this Government should have representation on the Reparation Commission, as necessarily answered in the affirmative, because both the present and the former administration have taken that view, that if we are to have any representation it ought to be official. The personal agents of the Government or the President should not receive compensation from Germany through the Reparation Commission, and our Government stands unwilling to take any responsibility either to approve or to repudiate the course which those representatives may find it wise to pursue. Moreover, everyone should desire if the Government has representation on the commission that representation should be effective, and this can not be if our delegates are denied official status.

With no definite plan of action in mind, we seem to be pursuing what is at once the most dangerous and least promising course possible. The ship of state is drifting without chart or compass, the helmsman apparently asleep at his post.

Mr. FLETCHER. Mr. President, may I ask the Senator a question before he takes his seat?

Mr. ROBINSON. Certainly.

Mr. FLETCHER. The proposal of our State Department, I believe, is that there should be a commission of experts to consider the reparation question, and I believe France declines to accept that plan?

Mr. ROBINSON. Yes; I made that statement.

Mr. FLETCHER. In those circumstances where are we?

Mr. ROBINSON. We are adrift.

Mr. FLETCHER. We are practically where we were at the beginning?

Mr. ROBINSON. The situation is constantly becoming more critical. The Executive insists upon maintaining upon the

Rhine a small army, and at the same time announces a policy of nonaction out of respect to France. Of course, Mr. President, if we recognize these difficulties as no part of the responsibilities of this Government, then we have no right to dictate or suggest to the European Governments what course they shall pursue. It is said that we have informed France we are not pleased at her advance in the Ruhr; that notwithstanding the fact that it is none of our business and wrong for the United States to take part in solving the problems which threaten disaster in Europe, we have notified France that we do not like the attitude she has assumed; and it is also stated that France pays no attention to that notification; and yet, out of respect for France and fear of giving offense, we insist upon keeping our flag and our troops in the area where the storm must break when it comes.

Mr. President, as a part of my remarks I ask permission to have printed in the RECORD an article published in the Washington Star of Monday, December 8, 1922, by Frederic William Wile, on the subject "Three big American agencies to sift international affairs."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the Washington Star, Monday, December 8, 1922.]

THREE BIG AMERICAN AGENCIES TO SIFT INTERNATIONAL AFFAIRS—FOREIGN PROBLEMS WILL BE CONSIDERED BY CHAMBER OF COMMERCE, CIVIC FEDERATION, AND FOREIGN RELATIONS COMMITTEE.

(By Frederic William Wile.)

While the Harding administration, Micawber-like, is waiting for something to turn up, no fewer than three great private American agencies are at work on the problem of constructive American cooperation in European rehabilitation. They are:

1. The United States Chamber of Commerce.
2. The National Civic Federation.
3. The Council of Foreign Relations.

By the end of January the activities of each of these organizations in the direction of concrete action will be in full swing. They constitute an amalgamated volume of public sentiment that can hardly be without influence upon the administration's foreign policy. They are nonpartisan and bipartisan in their personnel and programs. The president of the chamber of commerce is Julius H. Barnes, a Progressive Republican. The president of the Civic Federation is Alton B. Parker, one-time Democratic candidate for President of the United States, and the chairman of its executive committee is Elihu Root, perhaps the most distinguished Republican in the country. The chairman of the Council of Foreign Relations is John W. Davis, Democrat, formerly American ambassador to Great Britain.

ALL THREE TO ACT.

All three of the above-mentioned bodies are about to launch activities designated to bring order out of European chaos. The chamber of commerce's foreign affairs committee will meet in Washington on January 12 to deal with the reparations question. The chamber is not discouraged by the courteous rebuff it has suffered at the hands of the administration in respect to its proposal of a "business men's inquiry" into the reparations tangle. The chairman of the chamber's foreign affairs committee is A. C. Bedford, one of the Standard Oil Co.'s foremost executives. He is an avowed advocate of the "right" of the world's business men to take a hand in adjusting the international economic situation.

During its meeting in Washington the chamber of commerce committeemen will entertain M. Albert Thomas, former French minister of munitions and now in charge of the labor office of the League of Nations at Geneva. M. Thomas will detail the reparations position from the French standpoint, and doubtless reiterate his expressed view that France is ready to consider sympathetically any definite plan America has to offer for unraveling the reparations puzzle. The United States Chamber of Commerce will send a strong delegation to the Rome conclave of international chambers in March. The delegation will advocate there the scheme recently put forth by the American chamber in favor of a world business commission on reparations.

NOTED MEN TO SPEAK.

On January 16 and 17 the initial meeting of the National Civic Federation's committee on foreign relations and national defense will be held in Washington. Elihu Root is chairman of the committee, which includes 100 of the most distinguished men and women in the country. The Washington meeting has been called to consider the questions of "How far, and in what manner should the United States participate in international affairs?" and "How far is it wise at this time to reduce our Army and Navy?" Alton B. Parker will preside at the meeting and Mr. Root will deliver the opening address. Other speakers will be: Robert Lansing, John Hays Hammond, Oscar S. Straus, Samuel Gompers, Mrs. George Maynard Minor, Prof. Jeremiah W. Jenks (who has recently returned from four months' study of conditions in Europe), James Brown Scott, Mrs. Horace Mann Towner, and Col. Alvin M. Owsley, national commander of the American Legion.

Within a week or 10 days the Council of Foreign Relations, whose headquarters is in New York, will open a series of important "round tables" designed to elicit public opinion and direct popular sentiment on the outstanding foreign problems of the hour. The council's first "round table" will appropriately deal with reparations. It will be presided over by Norman H. Davis, former Undersecretary of State.

WOULD ENTER LEAGUE.

Mr. Davis is a firm believer in the doctrine that reparations are essentially a political rather than a purely economic question, taking issue on that score with the views of the Harding administration. The financial adviser of the American peace mission at Paris is understood to feel that the surest path leading to European rehabilitation is by way of the League of Nations. An initial step in that direction, according to the Davis view, is America's entry into the league on her own terms, but under conditions that will at least signal to Europe the readiness of the United States to be of actual, tangible help. Mr. Davis is spokesman of a body of opinion that sees the prime need of the hour in some form of American action that will soothe Europe's shattered nerves, encourage her to practice common sense and induce her to quit playing international politics.

The three national agencies herein under discussion, while probably not at one with respect to the form of American cooperation in Europe, are undoubtedly in agreement on the general principles that action, and not inaction, is incumbent upon the United States. When White House spokesmen on December 15 announced that America could no longer hold itself aloof from the distressed concerns of Europe, "cooperationists" of all parties in the country took heart.

In the further statement emanating from the White House that even "the most irreconcilable" of Americans could hardly affirm the disinterestedness of the United States, "cooperationists" thought they detected a healthy, if tardy, decision upon the part of the administration to fight the JOHNSON-REED-LA FOLLETTE "nonentanglers" to the death.

WAITING ATTITUDE ADOPTED.

During the intervening three weeks the apparent December ardor of the administration anent Europe's chaos has evidently undergone a January chill. At the White House and the State Department the attitude immortalized by Herbert H. Asquith in British politics—the policy of "wait and see"—has been adopted. The Cabinet assembled last Friday, but held no meeting, for the stated reason that there was nothing urgently requiring discussion.

The three national organizations which are moving this week and this month toward a mobilization of public sentiment regarding world affairs are obviously of different opinion. It is not unlikely they will find ways and means of bringing their views effectively to competent attention in Washington.

On January 26 a prominent Republican, former Gov. Frank O. Lowden, of Illinois, will address the Council of Foreign Relations' dinner in New York. The strong contender for the 1920 Republican presidential nomination is a League of Nations man. He has recently returned from Europe a devout believer in the necessity of America's distinterested participation in Old World affairs.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes.

Mr. McNARY. I ask unanimous consent that the bill be read for amendment only and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The Assistant Secretary proceeded to read the bill.

The first amendment of the Committee on Appropriations was, in the items for printing and binding, on page 6, line 9, after the word "direct," to insert "but not including work done at field printing plants of the Weather Bureau and the Forest Service authorized by the Joint Committee on Printing, in accordance with the act approved March 1, 1919, or emergency field printing and binding authorized by said joint committee," so as to make the paragraph read:

For all printing and binding for the Department of Agriculture, including all of its bureaus, offices, institutions, and services, located in Washington, D. C., and elsewhere, $760,000, including the Annual Report of the Secretary of Agriculture, as required by the act approved January 12, 1895, and in pursuance of the Joint Resolution No. 13, approved March 30, 1906, and also including not to exceed $250,000 for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct, but not including work done at field printing plants of the Weather Bureau and the Forest Service, authorized by the Joint Committee on Printing, in accordance with the act approved March 1, 1919, or emergency field printing and binding authorized by said joint committee.

The amendment was agreed to.

The next amendment was, in the item for "General expenses, Extension Service," on page 11, after line 4, to strike out "There is hereby appropriated the sum of $30,000, or so much thereof as may be necessary, for paying for the interpretation, translation, and transcription of discussion and the printing, binding, and distribution of the proceedings of the World's Dairy Congress, including the payment of postage, to foreign countries and the employment of such persons and means in the city of Washington and elsewhere as may be necessary to accomplish these purposes," and in lieu thereof to insert:

For the interpretation, translation, and transcription of discussions and the printing, binding, and distribution of the proceedings of the World's Dairy Congress, including the payment of postage to foreign countries and the employment of such persons and means in the city of Washington and elsewhere as may be necessary to accomplish these purposes, to be immediately available, $30,000.

Mr. FLETCHER. Mr. President, I desire to ask the Senator in charge of the bill why there should be a change of the House language in that clause of the bill and an insertion of new language?

Mr. McNARY. Will the Senator indicate more exactly to what he refers?

Mr. FLETCHER. As to the committee amendment on page 11, I desire to inquire the reason for striking out the House language and inserting that amendment?

Mr. McNARY. I will say to the Senator from Florida the provision in question was adopted on the floor of the House. The only change recommended by the Senate committee is the insertion of the words "to be immediately available." That is the only difference between the Senate committee amendment and the provision as it came from the other House. The clause concerns the publications to be issued at the coming World's Dairy Congress.

Mr. FLETCHER. When is that congress to be held?

Mr. McNARY. It is to be held at a time cotemporaneous with the National Dairy Exposition; but the time and place have not as yet been determined. In order that the money may be available during the present fiscal year, if necessary, it was thought best by the committee, at the suggestion of the Secretary of Agriculture, to insert the words "to be immediately available." That is the only change which is proposed.

Mr. FLETCHER. I understand that the amount of the appropriation is the same?

Mr. McNARY. It is exactly the same.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, in the items for general expenses, Bureau of Plant Industry, on page 27, at the end of line 13, to increase the appropriation for applying the methods of eradication or control of the white-pine blister rust, etc., from "$200,000" to "$250,000."

The amendment was agreed to.

The next amendment was, on page 29, line 18, after the word "originate," to insert "and $200,000 of said sum shall be allotted for expenditure in the States affected, and that no additional sum shall be expended in any State until it has, by proper authority, provided an equal amount: *Provided further*, That $10,000 of the said sum of $350,000 may be expended for investigations concerning rust resistant wheat," so as to make the paragraph read:

For the investigation and improvement of cereals, including corn, and methods of cereal production, and for the study and control of cereal diseases, including barberry eradication, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broom corn and methods of broom-corn production, $622,505: *Provided*, That $350,000 shall be set aside for the location of and destruction of the barberry bushes and other vegetation from which rust spores originate and $200,000 of said sum shall be allotted for expenditure in the States affected, and that no additional sum shall be expended in any State until it has, by proper authority, provided an equal amount: *Provided further*, That $10,000 of the said sum of $350,000 may be expended for investigations concerning rust-resistant wheat.

Mr. McNARY. Mr. President, a number of Senators have expressed the desire to be present when this item was reached. I did not expect that we should reach it this afternoon, and therefore I ask unanimous consent that it may be passed over at this time.

Mr. TRAMMELL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	George	McNary	Smith
Bayard	Gerry	Moses	Smoot
Borah	Hale	Nelson	Sterling
Brandegee	Harris	New	Sutherland
Broussard	Harrison	Nicholson	Townsend
Bursum	Heflin	Oddie	Trammell
Calder	Jones, Wash.	Overman	Wadsworth
Cameron	Kellogg	Phipps	Warren
Capper	King	Poindexter	Watson
Caraway	Ladd	Pomerene	Williams
Couzens	La Follette	Ransdell	Willis
Curtis	Lenroot	Reed, Pa.	
Dillingham	Lodge	Sheppard	
Fletcher	McCormick	Simmons	

Mr. LA FOLLETTE. I desire to announce that the Senator from Nebraska [Mr. NORRIS] is absent from the Senate because of a death in his family. I ask that this announcement may stand for the day.

Mr. CURTIS. I am requested to announce that the Senator from South Dakota [Mr. NORBECK], the Senator from New Hampshire [Mr. KEYES], and the Senator from Wyoming [Mr. KENDRICK] are detained in the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Fifty-three Senators have answered to their names. A quorum of the Senate is present.

Mr. KELLOGG. Mr. President, is an amendment in order now to the provision on page 29 appropriating money for the extermination of the barberry bush?

The VICE PRESIDENT. The committee amendments are first to be considered.

Mr. KELLOGG. The amendment I desire to offer is to the committee amendment.

The VICE PRESIDENT. The committee amendment on page 29 was passed over.

Mr. McNARY. Mr. President, I suggested a few moments ago that, perhaps, the committee amendment should go over on account of the absence of a number of Senators who are interested in the item. I had in mind particularly the author of the amendment, the Senator from Minnesota, the Senator from Michigan, and the Senator from North Dakota, who had spoken to me about this item. They are now all present, and, therefore, I desire to proceed with the consideration of the amendment at this time and ask a recision of the order by which the amendment was passed over.

The VICE PRESIDENT. Without objection, it is so ordered. The question is on agreeing to the amendment reported by the committee on page 29, line 18.

Mr. KELLOGG. Mr. President, I offer an amendment to the committee amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 29, it is proposed to strike out all after line 8 on that page, down to and including line 24, and in lieu thereof to insert the following words:

For the investigation and improvement of cereals, including corn, and methods of cereal production, and for the study and control of cereal diseases, including barberry eradication, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broom corn and methods of broom-corn production, $772,505: *Provided*, That $500,000 shall be set aside for the location and destruction of the barberry bushes and other vegetation from which rust spores originate and $350,000 of said sum shall be allotted for expenditure in the States affected, and that no additional sum shall be expended in any State until it has, through State or local appropriations or through contributions of organizations or individuals, provided an equal amount: *Provided further*, That $10,000 of the said sum of $500,000 may be expended for investigations concerning rust-resistant wheat.

Mr. KELLOGG. Mr. President, the only change from the committee amendment is to increase the total amount from $350,000 to $500,000, leaving $150,000 to be expended only in the event the States or municipalities or private individuals by subscription equal the amount so appropriated, $150,000. In other words, $350,000 would be subject to be expended in the various States, and the other $150,000 added to the appropriation by this amendment could be expended only upon the States, municipalities, or private individuals putting up an equal amount.

Mr. President, I think the committee are fully familiar with the fact that a great deal of good has resulted and really great work has been done in the States in exterminating the barberry bush. It is stated to me—and I believe all of this appears before the committee, although I have not had an opportunity to read all of the hearings—that in some 475 counties the survey has been completed; that is, they have been over those counties, surveyed them, and exterminated the barberry. In 391 counties the work still remains to be done. That is, these are the counties where the barberry bush is most prevalent, and where wheat raising is one of the principal industries of the farmers.

I take it, from an estimate made by the head of one of the organizations having to do with this work, that it will be cheaper to appropriate this money now than to appropriate a smaller sum for a longer term of years. It is estimated by the gentlemen having to do with this work that if $500,000 is appropriated in 1924 and $300,000 in 1925 the work can be completed in one and six-tenths years; while if only $350,000 is appropriated in 1924, $350,000 in 1925, and $260,000 in 1926, it will require more money, and will take two and seven-tenths years to do the same work as though a larger appropriation were made this year. In other words, it would require $960,000 in three years to do the work which could be done with $800,000 in two years.

There is another reason why this work should be done as rapidly as possible. There is no question that in exterminating the barberry bush a resurvey has to be made. It is found impossible to eradicate the barberry entirely by going over it once. Sprouts from roots or seedlings will come up, and the territory has to be gone over again, so that the quicker the work can be done the more economical and the more beneficial to the country.

A great deal of testimony has been given to me, and I suppose to the committee, of practical experiments in the various States as to the extent of the spreading of the rust by the barberry bush. It has been demonstrated that not only have the spores been found in the air at several thousand feet height but in the neighborhood of the barberry within a few miles the rust has been much worse than farther distant; so it seems to me that it would be a matter of economy, and not only economy so far as the money expenditures are concerned but tremendous economy in the protection of the growth of wheat, to have this

survey carried on as rapidly as possible, and completed at the earliest date consistent with reasonable appropriations.

I hope the Senate will adopt the amendment.

Mr. FLETCHER. Mr. President, it seems to me the proposition would be somewhat confused and ambiguous if we should adopt it in the form proposed by the Senator. He proposes to appropriate for the investigation and improvement of cereals, and other things mentioned in the bill down to line 16, $772,505, instead of $622,505, provided, he says in this amendment, that $500,000 shall be set aside for the location and destruction of the barberry bushes and other vegetation from which rust spores originate, and $350,000 of said sum shall be allotted for expenditure in the States affected, and that no additional sums shall be expended in any State until local cooperation contributes an equal amount. He sets aside $500,000, and then he says that $350,000 only shall be spent unless local cooperation contributes $75,000 more, the Government contributing $150,000.

Mr. KELLOGG. One hundred and fifty thousand dollars more.

Mr. FLETCHER. It provides an equal amount. The language is:

Three hundred and fifty thousand dollars of said sum shall be allotted for expenditure in the States affected, and that no additional sum shall be expended in any State until it has, by proper authority—

The language is changed by the Senator to read "through State or local appropriations," and so forth—

provided an equal amount.

That is, an equal amount of $150,000.

Mr. KELLOGG. One hundred and fifty thousand dollars.

Mr. FLETCHER. It would be $75,000 by the Government and $75,000 by local subscription.

Mr. KELLOGG. No; $150,000 by the Government and $150,000 by local subscription or State authority.

Mr. FLETCHER. That would make $650,000, then.

Mr. KELLOGG. No; that would make $500,000 altogether.

Mr. LENROOT. No; $650,000.

Mr. HEFLIN. Six hundred and fifty thousand dollars altogether.

Mr. FLETCHER. It would make $650,000 altogether.

Mr. KELLOGG. Oh, yes; including the contributions by the States; certainly.

Mr. FLETCHER. That is not what was contemplated, as I understand. As I understand, the Senator contemplates that $500,000 shall be devoted to barberry investigation.

Mr. KELLOGG. By the Government.

Mr. FLETCHER. But only $350,000 by the Government, and beyond that there must be equal contribution to make up the other $150,000.

Mr. KELLOGG. Yes.

Mr. FLETCHER. That would be $75,000 for the local organizations and $75,000 for the Government.

Mr. KELLOGG. No; I think the Senator is wrong—$150,000 by the Government and $150,000 by private subscription or State authority.

Mr. HEFLIN. Making $500,000 in all, as I understand.

Mr. KELLOGG. Making $650,000 in all.

Mr. HEFLIN. Five hundred thousand dollars by the Federal Government.

Mr. KELLOGG. Five hundred thousand dollars by the Federal Government and $150,000 by the States.

Mr. HEFLIN. Making $650,000 in all.

Mr. KELLOGG. Yes.

Mr. FLETCHER. Why would not the Senator have it read in this way:

Provided, That $500,000 shall be set aside for the location and destruction of the barberry bushes and other vegetation from which rust spores originate, and in addition to said sum $150,000 shall be set aside for expenditure in the States affected, provided local organizations contribute one-half thereof.

Mr. KELLOGG. That would be entirely satisfactory to me, but that would appropriate $150,000 more than we have asked for.

Mr. SMITH. That would make the total, then, $800,000.

Mr. FLETCHER. No; $350,000, and then $150,000 more, provided local organizations contribute one-half of that.

Mr. KELLOGG. No; provided they contribute an equal amount.

Mr. FLETCHER. An equal amount.

Mr. KELLOGG. That is, $150,000 more.

Mr. HEFLIN. That would make $650,000.

Mr. KELLOGG. I think the amendment is perfectly plain.

Mr. FLETCHER. It seems to me it is a little confusing as it is.

Mr. LENROOT. Mr. President, I will suggest to the Senator that the subcommittee did have it at one time as the Senator now suggests; but the difficulty was that if the whole $150,000 additional should not be appropriated by the States, none of the $150,000 of Federal appropriation could be used. Therefore we have put the language as we have so that as to any sum appropriated by the States—whether it be $150,000 or $75,000—there will be at least that much additional money allotted by the Federal Government to meet it.

Mr. FLETCHER. In other words, the local interests will not be obliged to contribute $150,000.

Mr. LENROOT. No.

Mr. FLETCHER. Whatever they contribute, the Government will appropriate an equal amount.

Mr. LENROOT. The Government will match it.

Mr. FLETCHER. Is that the purpose?

Mr. LENROOT. Yes.

Mr. FLETCHER. Perhaps that language will cover it then. I had in mind the possibility that the local interests might not contribute anything.

Mr. SMITH. I suggest to the Senator from Minnesota, if he wants to increase the appropriation, that he leave as it is the language of the present amendment as to the mutual contribution between the States and the Government, and increase the amount of the straight appropriation that he desires the Government to make.

Mr. KELLOGG. I do not think that more than the amount asked for in this amendment ought to be appropriated. I think that is a fair amount.

Mr. McNARY. Mr. President, the committee gave this item careful consideration this year, as it has done for the last three years. The committee realize that splendid work is being done in the eradication of the barberry and its destructive force. The amount allowed last year was $200,000. The House increased that by $150,000, making a total appropriation of $350,000, which we thought a very generous increase over the estimate and over the amount appropriated last year. The committee felt it could not go much further and treat that item more liberally, because there is not sufficient cooperation by the States in which the infestation occurs.

A number of the States are doing fairly well in this matter, aiding the Government in this good work, but some of the States are not contributing in accordance with the extent of the infestation, and the committee thought the proper way to start would be to require that the amount appropriated by the Government be met by an equal portion from the States or the communities. Consequently we have changed the House provision, devoting $200,000, what might be called "free" money, to be expended in the various States, 13 in number. The $150,000 remaining must be matched by a like amount from these communities and these States, which, if done, would give a grand total of the $500,000 which they are asking to do this work. The committee thought if they would appropriate the amount proposed by the House and require this excess sum to be paid by these States, they would have the amount which is required to be expended, namely, $500,000, with which they will bring about the eradication of the barberry bushes in 1.7 years, or, if $350,000 is appropriated as suggested by the House, it would be 2.7 years.

So it is now up to these States and communities to meet the Government only a portion of the way, and if they do they will have all the money they can properly expend. The committee thought they were dealing very generously with them, and it is the desire of the whole committee that the item stand as presented to the Senate in the bill.

Mr. FLETCHER. Do I understand the Senator to object to the amendment proposed by the Senator from Minnesota?

Mr. McNARY. Of course, the Senator in charge of the bill, so far as he can speak as such, prefers the provision embodied in the bill as reported to the Senate.

Mr. FLETCHER. Do the estimates permit of this increase of $150,000?

Mr. McNARY. I stated to the Senator from Florida that the estimate was $200,000. The House increased it by $150,000, thereby arriving at the sum of $350,000.

Mr. FLETCHER. The estimate was for only $200,000?

Mr. McNARY. Yes.

Mr. FLETCHER. Was the Budget allowance $200,000?

Mr. McNARY. Two hundred thousand dollars.

Mr. OVERMAN. What is the difference between the amendment of the committee and the amendment of the Senator from Minnesota?

Mr. McNARY. One hundred and fifty thousand dollars.

Mr. OVERMAN. The amendment of the Senator from Minnesota would carry $150,000 more than the committee allowed?

Mr. KELLOGG. It is true that all the States have not made appropriations equal to those of Minnesota. I am informed

by the gentleman in charge in Minnesota that in 1921 Minnesota spent more money for this purpose than the Federal Government spent in Minnesota, and in 1922 almost as much as the Federal Government spent. I am informed that in North Dakota they appropriated $25,000 for two years. The Senator from North Dakota can correct me if that is wrong. They report that this sum has been requested by the legislature and by the governor, with the support of the commissioner of agriculture of North Dakota, the farm bureau, and the State experiment station. Other States have not appropriated as much, but Wisconsin appropriated $15,000 a year, Illinois $10,000, and Michigan, I think, $11,000. In the State of Minnesota, however, the northern part of which is a large wheat-raising section, we have spent almost as much as the Federal Government has spent. This money has been raised very largely by private subscriptions. In 1921 we spent more than the Federal Government spent. So far as Minnesota is concerned, the work is nearly completed, but in other States it is not; and, of course, there is no use having the work completed in one State when in the States surrounding it the barberry bush still exists, because it will spread again.

It does seem to me as though an additional $150,000 ought to be allowed if an equal amount is put up by the States, because the importance of this matter is the time in which it shall be done. The shortest time possible is not only the cheapest for the Federal Government but far the best in protecting the grain crop. It is a question, in my judgment, whether Congress will make a reasonable appropriation now or two years from now. Why not make it now and finish this work? There are estimates of the damage done to the wheat crops. I will not stop to read them, but the loss in many States is appalling, directly attributable to the barberry bush in the immediate neighborhood where it is discovered. The losses in the wheat crop of this country are tremendous.

Mr. LENROOT. I think that is true; but can the Senator explain why in those States where it is of such tremendous importance the States do not make larger appropriations?

Mr. KELLOGG. No, I can not. In Minnesota we have raised the money by private subscription and equaled the Government appropriation. I suppose the difficulty is in getting the people to realize that the barberry is the cause of the rust. The Federal Government knows it. The Federal Government is experimenting, and it has demonstrated that fact beyond question. I have no doubt the reason the States have not taken it up and made greater appropriations is on account of the fact that there is a good deal of skepticism about the cause of the pest. The Senator from North Dakota is present, and he knows what is being done in his State and the necessity for the continuance of the work.

Mr. LADD. Mr. President, the most destructive agent for our wheat crop in North Dakota has been the rust which has come from the barberry bush. In 1916 it was predicted that North Dakota would have the largest crop of wheat it had ever grown, the largest crop before that being 156,000,000 bushels; but in four days in July the rust struck the crop of North Dakota, and as a result they had only 39,000,000 bushels.

North Dakota has become deeply interested in this question of the barberry eradication. I think it has made its fair share of appropriations, and the bush is largely eradicated from that State. The experiment station of the agricultural college and the extension division of North Dakota have led in the State in carrying on the work of the eradication of the barberry bush. I think it is money well expended. European experiments indicate that the barberry bush can be eradicated and through that the rust held in control.

Some of the States may not have sessions of the legislature this year, and other States may fail to make appropriations; and if we appropriate only $200,000 and, for example, eradicate the barberry bush only from my own State, it is not going to protect North Dakota, with the States south or east or west of it having barberry bushes within their borders failing to make appropriations to help to eradicate it, because it is well known that the spores are carried for long distances, probably thousands of miles, and can do their work of infecting a region where there are no barberry bushes.

Personally, I feel that it is a wise move to make an appropriation of $350,000, so that the work can go on in the same order in which it has been going on, so that we can destroy the barberry bush as rapidly as possible. Then we should add the $150,000 for the benefit of those States which desire to take advantage of this and secure additional appropriations, either through the interest of the people of the State or through direct appropriation. I hope, therefore, that the amendment offered by the Senator from Minnesota will prevail.

The VICE PRESIDENT. The question is on the amendment offered by the committee. After that has been voted on the question will be on the amendment offered by the Senator from Minnesota.

Mr. LENROOT. May I suggest that the amendment offered by the Senator from Minnesota in part amends the committee amendment?

The VICE PRESIDENT. That is correct; but in part it does not.

Mr. LENROOT. I suggest that, by consent, the vote be taken first on the amendment offered by the Senator from Minnesota, which is partly in the nature of a substitute.

Mr. FLETCHER. And if the amendment offered by the Senator from Minnesota is adopted, that will close the whole case.

Mr. KELLOGG. I ask unanimous consent that my amendment be voted on first.

The VICE PRESIDENT. The amendment of the Senator from Minnesota is to strike out something that is not in the bill.

Mr. LENROOT. It could be done by unanimous consent, could it not?

Mr. KELLOGG. I ask unanimous consent for a vote on my amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. WALSH of Montana. I should like to have the amendment of the Senator from Minnesota stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. The Senator proposes to strike out all after line 8 on page 29 of the bill as reported from the committee and to insert:

For the investigation and improvement of cereals, including corn, and methods of cereal production, and for the study and control of cereal diseases, including barberry eradication, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broom corn and methods of broom-corn production, $772,505: *Provided*, That $500,000 shall be set aside for the location and destruction of the barberry bushes and other vegetation from which rust spores originate and $350,000 of said sum shall be allotted for expenditure in the States affected, and that no additional sum shall be expended in any State until it has, through State or local appropriations or through contributions of organizations or individuals, provided an equal amount: *Provided further*, That $10,000 of the said sum of $500,000 may be expended for investigations concerning rust-resistant wheat.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. KELLOGG. I ask for a division.

On a division, the amendment was agreed to.

Mr. McNARY. Mr. President, I give notice at this time that I shall ask for a separate vote on this item when the bill reaches the Senate.

The next amendment of the Committee on Appropriations was, on page 33, line 13, at the end of the items for general expenses, Bureau of Plant Industry, to strike out "$2,756,450" and insert in lieu thereof "$2,806,450," so as to read:

In all, general expenses, $2,806,450.

The amendment was agreed to.

Mr. McNARY. At this time I ask unanimous consent that the clerk of the committee may make such alterations as may be necessary in the totals throughout the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The next amendment was, on page 33, line 14, to strike out "$3,241,470" and to insert in lieu thereof "$3,291,470," so as to read:

Total, Bureau of Plant Industry, $3,291,470.

The amendment was agreed to.

The next amendment was, in the items for general expenses, Forest Service, on page 38, line 13, before the name "Tennessee," to insert "Pennsylvania," so as to read:

In national forest district 7, Arkansas, Alabama, Florida, Oklahoma, Georgia, South Carolina, North Carolina, Pennsylvania, Tennessee, Virginia, West Virginia, New Hampshire, Maine, Porto Pico, $146,073.

The amendment was agreed to.

The reading was continued to line 14, page 48, the last items read being for general expenses, Bureau of Soils.

Mr. WILLIS. Mr. President, may I ask the Senator in charge of the bill what is the total appropriation carried in the bill with reference to the investigation of soils?

Mr. McNARY. It is the same as was allowed last year, $168,200.

Mr. WILLIS. I ask unanimous consent to have printed in the RECORD at this point a statement from the Ohio experiment station relative to the matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OHIO AGRICULTURAL EXPERIMENT STATION,
Wooster, Ohio, January 3, 1923.

Hon. FRANK B. WILLIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I wish to call your attention to a cut of $48.000 in the appropriation for soil-survey work of the Department of Agriculture, as reported by the Budget Bureau, which vitally concerns the soil-survey work in Ohio. The Bureau of Soils, which has charge of the Federal end of this work, has been cooperating with Ohio and 34 other States that are engaged in soil-survey work on a 50–50 basis. It will be absolutely impossible for the bureau to continue this cooperation unless the appropriation is set back to $168,000, where it was for the current year.

If Ohio can not have the usual Federal assistance the coming year its soil-survey work will have to be considerably curtailed. As a matter of fact, we had hoped to expand it. This soil survey will do for agriculture what the Geological Survey has done, to furnish reliable information regarding our mineral resources. Ohio's greatest mineral asset is its soil. The value of the products of Ohio's farms and orchards is many times the value of all its mines of coal, oil, gas, stone, and clay products.

The work of the Ohio experiment station is showing the possibility and the economic practicability of greatly increasing the crop yields of the State. It is also showing that different soils require different treatments, and before the farmers of the State can receive the full benefit of the station's work on its 14 different experimental fields scattered over the State there must be accurate knowledge of their soil conditions, which can only be obtained through a detailed soil survey. In 1912 this station made a reconnaissance survey of the entire State, dealing in a broad way with the general soil features. We are now conducting careful detailed surveys of the individual counties, visiting every farm in a county. If the Federal appropriation is cut as proposed our Ohio work can not help but suffer. I hope that you can get this cut restored.

Sincerely yours, C. G. WILLIAMS, *Director.*

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 64, line 19, to strike out "$426,400" and insert "$700,000," so as to make the paragraph read:

For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of live stock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, $700,000.

Mr. FLETCHER. It is now five minutes after 5. How long does the Senator in charge of the bill propose to continue to-night? I have an amendment to offer to the amendment which has just been stated, and it would take a little time to present it. I would like to have the committee amendment passed over.

Mr. McNARY. We are working on committee amendments only at this time.

Mr. FLETCHER. I know. I propose to offer an amendment to the committee amendment.

Mr. McNARY. Let the committee amendment be passed over for the present.

The VICE PRESIDENT. The committee amendment will be passed over, together with the amendment on page 64, line 20, in the total.

The next amendment was, under the subhead "Enforcement of the United States grain standards act," on page 65, at the end of line 19, to strike out "$536,223" and insert "$546,223"; so as to make the paragraph read:

To enable the Secretary of Agriculture to carry into effect the provisions of the United States grain standards act, including rent outside of the District of Columbia and the employment of such persons and means as the Secretary of Agriculture may deem necessary, in the city of Washington and elsewhere, $546,223.

The amendment was agreed to.

The next amendment was, on page 67, at the end of line 1, to increase the total appropriation for the Bureau of Agricultural Economics from "$3,727,253" to "$4, 010,853."

The amendment was agreed to.

The next amendment was, on page 76, line 23, after the word "travel," to insert a comma and the words "including travel at official stations"; so as to make the paragraph read:

MILEAGE RATES FOR MOTOR VEHICLES.

Whenever, during the fiscal year ending June 30, 1924, the Secretary of Agriculture shall find that the expenses of travel, including travel at official stations, can be reduced thereby, he may, in lieu of actual traveling expenses, under such regulations as he may prescribe, authorize the payment of not to exceed 3 cents per mile for motor cycle or 7 cents per mile for an automobile, used for necessary travel on official business.

The amendment was agreed to.

The next amendment was, in the items for the Center Market, District of Columbia, on page 79, line 7, after the word "claims," to insert "for damage to goods while in storage in Center Market that have accrued or may accrue at any time during the operation thereof by the Secretary of Agriculture in accordance with such regulations as he may prescribe," so as to make the proviso read:

Provided, That not more than $500 may be used for the payment of claims for damage to goods while in storage in Center Market that have accrued or may accrue at any time during the operation thereof by the Secretary of Agriculture in accordance with such regulations as he may prescribe.

The amendment was agreed to.

The next amendment was, under the subhead "Special items," on page 80, after line 14, to strike out "Forest roads and trails: For carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, $3,000,000, to be available until expended, being part of the sum of $6,500,000 authorized to be appropriated for the fiscal year ending June 30, 1924, by paragraph 2 of section 4 of the act making appropriations for the Post Office Department for the fiscal year 1923, approved June 19, 1922: *Provided*, That the Secretary of Agriculture is hereby authorized, immediately upon the passage of this act, to apportion and prorate among the several States, Alaska, and Porto Rico, as provided in section 23 of said Federal highway act, the sum of $6,500,000 authorized to be appropriated by said paragraph 2 of section 4 of the act approved June 19, 1922: *Provided further*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment and prorating of this authorization and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of the cost of such project"; and in lieu thereof to insert:

Forest roads and trails: For carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, and as authorized by paragraph 2 of section 4 of the act making appropriations for the Post Office Department for the fiscal year 1923, approved June 19, 1922, to be available until expended, $6,500,000.

The amendment was agreed to.

The next amendment was, on page 82, at the end of line 15, to increase the total appropriation for the Department of Agriculture from "$69,068,053" to "$72,901,653."

The amendment was agreed to.

The reading of the bill was concluded.

The VICE PRESIDENT. The Secretary will state the first amendment passed over.

The READING CLERK. The first amendment passed over is, on page 64, line 19, to strike out "$426,400" and insert "$700,000," so as to make the paragraph read:

For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of live stock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, $700,000.

Mr. FLETCHER. This is the amendment to which I had reference a moment ago. It relates to a very important service. I proposed an amendment a few days ago to the effect that the appropriation be increased to $1,100,000. The committee increased the House provision from $426,400 to $700,000, which, of course, is a very great improvement over the House provision. At the same time I think it is inadequate.

Mr. McNARY. Has the Senator from Florida read the Senate committee hearings on the item?

Mr. FLETCHER. I have.

Mr. McNARY. If I may say to the Senator, I think perhaps he is misinformed. The service did not extend to the Pacific coast. The farthest western point was Lincoln, Nebr. It did not go into the Southeastern States, including Florida and adjoining States. The Bureau of the Budget estimated the cost of nationalizing the service at the time of the hearings would be $152,000 to carry it to the Pacific coast and $118,000 down to the Southeastern States, including Florida. The total sum has been increased from $426,000 to $700,000, to include all the States of the Union and make the service national in its character. I think this sum of money covers just what the Senator would have done respecting the enlargement of the service.

Mr. FLETCHER. I understand the situation pretty well. I put in the RECORD the other day, on January 5, a letter to me from the Secretary of Agriculture which explains the whole situation, and in which the Secretary said:

With the appropriation provided for the current fiscal year it is possible to maintain news service over leased wire at the following points: Washington; Boston; New York; Baltimore; Philadelphia; Pittsburgh; Cincinnati; Columbus; Chicago; Waupaca and Fond du Lac, Wis.; Minneapolis; St. Paul; St. Louis; East St. Louis; Kansas City; Omaha; Fort Worth and Austin, Tex.

Those are the points where it is possible to maintain the service on leased wires with the appropriation provided in the House bill. Of course, that leaves the whole region of the country south of Washington and east of St. Louis without any service of this kind at all.

The Secretary went on to say:

Under cooperative agreements with various States, whereby such States pay the cost of the leased-wire extensions from the Federal circuit, offices are being maintained at Trenton, N. J.; Harrisburg and Lancaster, Pa.; Columbus, Ohio; Madison, Wis.; Jefferson City and St. Joseph, Mo.; and Lincoln, Nebr.

The Secretary then went on to describe when this work was instituted, as follows:

During the period from August 10, 1917, to June 30, 1919, a very complete market-news service was built up in the department, financed largely from the war-emergency funds provided under the food production act. The service in operation at that time included a leased-wire circuit which covered the Pacific coast region and another circuit which included the important market centers of the South and East. It was necessary to discontinue both the western circuit and the southern circuit on June 30, 1919, however, on account of the great reduction in available funds. Since that time it has been possible to maintain only a "skeleton" organization, which, of course, must include the large eastern markets and the points of heavy shipment in the Middle West.

As you are doubtless aware, a bill has been introduced in the Senate which provides for the appropriation of $500,000 for the extension of the present leased-wire service to Denver, Salt Lake City, San Francisco, and other cities upon the Pacific coast.

Many requests have been received by the department also for an extension of the leased-wire service into the important producing sections of the Southeastern States. We have made a careful estimate of the cost of this extension, and have found that with an additional appropriation of $200,000 a leased-wire circuit could be arranged to include Atlanta, Ga.; Jacksonville and Orlando, Fla.; Birmingham, Ala.; Memphis, Tenn.; and New Orleans, La.; and probably a few other points for short periods during the year.

The accompanying map (No. 2) shows the principal leased-wire circuits which were in operation while funds were available under the war-emergency appropriations.

Map No. 3 shows in general the leased-wire circuits which would be necessary in order to extend this service to the principal producing sections of the West and the South. In order to conduct the news services on this basis an appropriation of approximately $1,100,000 would be necessary.

That is what the Secretary said in his letter to me and that is what I am governed by in offering the amendment.

Mr. LENROOT. Mr. President——

Mr. FLETCHER. I think it is a very important service and ought to be kept up and kept up properly. I yield to the Senator from Wisconsin.

Mr. LENROOT. I will say to the Senator that it was testified before the committee that it would not require the sum of which the Senator speaks to restore the service, but it was estimated that if the service was restored or extended there would follow a demand for the gathering of additional information that is not now being gathered, and that is what makes the difference between the amount the committee recommends and the amount requested.

Mr. FLETCHER. Am I to understand the Senator to say that the service could be put into operation carrying the same information that is obtained now?

Mr. LENROOT. Yes; giving the same information that is given now.

Mr. FLETCHER. And that could be done with the increased amount proposed by the committee?

Mr. LENROOT. Yes.

Mr. FLETCHER. The $1,100,000 was intended to cover additional information.

Mr. LENROOT. Yes; for instance, information concerning grapes in California, which information they are not gathering at all now, and matters of that kind.

Mr. FLETCHER. I, of course, was controlled entirely by the letter showing that $1,100,000 is required to put this service in operation as it should be, and I was governed largely by testimony before the committee. I obtained a copy of the hearings. On page 75 Mr. Marquis testified—and I read from the printed hearings—as follows:

Senator McNARY. That is a very, very important service and there is a very great demand for it that seems to be national in its character. I have a letter here from Prof. C. A. Lewis, of Chicago. He is known to me personally as being one of the most reliable of editors, having the best knowledge of the subject of anyone I know. He is urging it. There is no amount given. He just discusses the value of the service wherever it has been inaugurated. He believes it should be general if it is to be done at all. I have numerous letters from along the coast, and from the Chamber of Commerce of Portland, Oreg.; and then Senator JONES has a bill urging its extension to Washington, and Senator KING, of Utah, has a bill asking that it be extended into Utah. Of course, I want it in Oregon, and every other fellow I know wants it in his part of the country.

I believe you know that it has been through the Atlantic States as far as Boston, and it goes into Chicago and Cincinnati, and all through that country. It goes up to St. Paul in the Northwest, and then runs to Omaha, and then to San Francisco.

Last year we extended it into Texas. It went to Fort Worth and on to Austin. There is no leased-wire service to any other points than those I have named. There is no connection to the Southeastern States or farther west than Lincoln, Nebr.

Now, this service is one that I think has greater value than any other service that the Agricultural Department gives with regard to market conditions. There is nothing more helpful to the farmer, particularly as the products raised in the West are so diversified and so perishable in character. There is no other place where they suffer as much now. It seems as though, if we have the service at all, it ought to go into every part of the country rather than a few localized districts; and what I want to know is the cost. I feel deeply in this matter.

What would it cost to extend this, to give the same service to the southeastern section, and the far Western States, as the other States in the country get?

Mr. MARQUIS. I might say that this question was asked of the department, and in reply to a letter from Senator NORRIS the Secretary of Agriculture presented a tentative estimate on the cost of restoring what we would regard as a fairly satisfactory national service. Since this letter has been approved by the Bureau of the Budget as not in conflict with the financial program of the President, I think I am at liberty to use it as the basis for a reply to that question.

Senator JONES. You said he made an estimate. What was it?

Mr. MARQUIS. The estimate involved for restoring an entire national service is $1,100,000, which would, of course, include the present amount of $405,000, which is in the estimates.

That was his statement before the committee. Mr. Marquis further said, at page 77:

Senator JONES. Supposing that we raised this to $500,000, what could you do toward extension to the Pacific coast?

Mr. MARQUIS. We could do comparatively little, for the reason that that amount would provide only for the leased wire. This plan is laid out in order to make a reasonably national service. One problem involved is the question of a long leased wire. In this case it would be from Kansas City westward to either San Francisco or the Northwest.

Following the inquiry made by your chairman, we separated out from this estimate of $1,100,000 the estimate of what it would cost to extend the service direct to San Francisco and thence to Portland, or direct from Kansas City to Portland, going through Salt Lake City and then northward. This involves more than merely the cost of the wire station, because when you go, for instance, into the apple region of the Northwest you must serve those people with the kind of information they want. In many instances we are not collecting the specific kind of information they want; consequently it puts a greater load on our eastern bases for the collection of that information and involves additional cost for the collection of that information that will be wanted in that area—

And so on through the hearing.

Mr. LENROOT. Will the Senator from Florida yield to me?

Mr. FLETCHER. I yield to the Senator from Wisconsin.

Mr. LENROOT. If the Senator will turn to page 77 of the hearings, which he has before him, he will see that Mr. Marquis testifies as follows:

This involves more than merely the cost of the wire station, because when you go, for instance, into the apple region of the Northwest you must serve those people with the kind of information they want. In many instances we are not collecting the specific kind of information they want—

And so forth. The statement goes on to show that $1,100,000 in addition to furnishing the present service involves furnishing and securing many kinds of information which is not now being secured at all.

Mr. FLETCHER. I think, possibly, the Senator from Wisconsin is correct in that statement, but at the same time I am a little bit doubtful that the amount proposed will cover the service that is desired. Mr. Marquis also testifies at page 80. The Senator from Georgia [Mr. HARRIS] asked him:

What would it cost to put the service into the Southeast? You have not included that?

Mr. MARQUIS. No; I have not put in any estimate for the South. The southern branch which we would suggest restoring would be a wire from Washington to Atlanta, with a leg to Jacksonville and Orlando, Fla. That would be the main line to the citrus region, and that is estimated to cost $69,000; another branch to Birmingham and Memphis would cost $27,600, and the extension direct from Atlanta to New Orleans would cost $21,432. That is merely for the wire and the offices.

Mr. JONES of Washington. That, I think, foots up about $117,000 or $118,000.

Mr. FLETCHER. Yes; it foots up $118,032.

Mr. JONES of Washington. The committee took that amount and the $152,000 to extend the service to the Pacific coast and then added some $30,000 or $40,000, making a $274,000 increase. We came to the conclusion that that amount would give pretty good service to the West and South, at least for the first year. Then, next year, we can expand it. We felt that we were making quite a liberal increase in the appropriation, and that it was a reasonable provision to take care of the needs of those two sections of the country.

Mr. FLETCHER. The question in my mind is whether that will properly provide for the service, for in his statement Mr. Marquis says:

That is merely for the wire and the offices.

I am afraid we are simply going to provide some facilities, but that we shall not get the full service.

Mr. LENROOT. If I may make a suggestion, this appropriation will provide for the dissemination to these new points the information which is now being collected by the depart-

ment, but, of course, it will not provide for any additional information.

Mr. HARRIS. That is what I was going to state. The department assured us that we would get the same service in the South and the extreme West that is now being supplied to the Middle West and other sections.

Mr. SMITH. I should like to state to the Senator that I introduced a bill in the Senate to extend the service into the Southeast. The information I had was that the additional sum carried in the bill would give us the wire service and disseminate identically the same news that was now being carried in the other sections.

Mr. HARRIS. Exactly.

Mr. SMITH. As a member of the subcommittee, I accepted this appropriation upon the statement that we should have the same service in the South and in the West that was afforded in the other sections.

Mr. FLETCHER. I am hopeful that that interpretation is correct, and I hope we shall get that service. I have in my hand here map No. 1, which was furnished me by the department, showing the service extending from Washington east and north and west down as far as Austin and Fort Worth and Kansas City and St. Louis, but east of those points to the Atlantic and south of Washington there is no service at all—not a wire.

Think of the great region in the South that is sending products to the market all the time. From Florida alone 84,000 carloads of citrus fruits and vegetables move every year; one carload every six minutes the year around. The cost of the transportation of the products of Florida alone amounts to $24,000,000 a year. Are we not entitled to some facilities with regard to market reports? Are we not entitled to this service? It has been taken entirely away from us. Now, I understand that the appropriation now proposed is, perhaps, sufficient to give it back.

Mr. OVERMAN. Yes; it gives it back.

Mr. FLETCHER. But it has been canceled; it has been taken away; and I am showing Senators that even as the provision stands it will afford rather a meager service. I am very glad, however, to get what I can. A line will be run from Washington to Atlanta, and from Atlanta to New Orleans, with branches to Birmingham and Memphis and Jacksonville and Orlando. Florida will be reached by way of Atlanta, and in that manner the service will be very helpful and very important. I can not conceive of any sort of a system that would deny this service to that section of the country, and particularly the region where we are producing and shipping and supplying the whole country with perishable products.

I ask to have printed in the RECORD, Mr. President, a letter from the acting chief of the bureau, dated January 8, giving a statement as to the additional market news service, and also a further statement furnished me a few days ago with reference to the market news service. The latter statement, together with the one from the department, will give a comprehensive view of the whole situation. I think the statement underestimates the production and the extent of the shipments from this region. I know it does as to Florida. For instance, it gives the number of cars at 38,200, whereas the shipments out of Florida are 84,000 carloads a year, or one carload every six minutes.

There being no objection, the statements referred to were ordered printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS,
Washington, January 8, 1923.

Hon. D. U. FLETCHER,
Senate Office Building, Washington, D. C.

DEAR SENATOR FLETCHER: In response to a telephone request from your secretary this morning, I am inclosing a statement which gives a detailed estimate of the cost of additions to the market news service to cover the Southern and far Western States as are outlined in a general way by the Secretary of Agriculture in a letter to you.

I desire to call particular attention to the fact that the extension of the leased wire into the Southeast or into the far West will increase the load upon our present wire and offices in the Central and Western States and make necessary some additions to these offices if we are to be able to render a complete service. Estimates of the costs of these additions are given in the attached statement.

Very sincerely yours, LLOYD S. TENNY,
Acting Chief of Bureau.

Additions to Market News Service.

SOUTHERN CIRCUIT.

(a) Washington, Atlanta, Jacksonville, Orlando:		
Leased wire and eight telegraphers		$40,000
Atlanta fruit and vegetables	$9,000	
Atlanta live stock	5,000	
Jacksonville live stock	5,000	
Orlando fruit and vegetables	10,000	
		29,000
Total		69,000
(b) Atlanta, Birmingham, Memphis:		
Leased wire and two telegraphers		$11,600
Birmingham fruit and vegetables	$8,000	
Memphis fruit and vegetables	8,000	
		16,000
Total		27,600
(c) Atlanta, New Orleans:		
Leased wire and two telegraphers		13,432
New Orleans fruit and vegetables		8,000
Total		21,432

WESTERN CIRCUIT.

(a) Kansas City, Denver, Salt Lake City, San Francisco:		
Leased wire and seven telegraphers		66,000
Denver fruit and vegetables	$9,460	
Denver live stock	10,600	
Salt Lake City fruit and vegetables	7,860	
San Francisco fruit and vegetables	9,060	
San Francisco live stock	3,190	
San Francisco dairy products	5,000	
		45,170
Total		111,170
(b) San Francisco, Los Angeles:		
Leased wire and two telegraphers		5,496
Los Angeles fruit and vegetables	$2,500	
Los Angeles live stock	3,190	
Los Angeles dairy products	5,000	
		10,690
Total		16,186
(c) San Francisco, Portland, Spokane:		
Leased wire and three telegraphers		31,008
Portland fruit and vegetables	$9,260	
Portland live stock	10,700	
Spokane fruit and vegetables	3,220	
		23,180
Total		54,188

Additional central-circuit costs.

Additional wire between Washington and Kansas City via additional markets:		
Leased wire, six telegraphers		$93,600
Cleveland fruit and vegetables	$7,860	
Detroit fruit and vegetables	8,260	
Columbus fruit and vegetables	3,140	
Indianapolis fruit and vegetables	3,740	
Indianapolis live stock	10,500	
Omaha, Nebr., fruit and vegetables	7,860	
		41,360
Total		134,960
Addition to eastern circuit:		
Washington-Buffalo-Rochester (eight months) leased wire and two telegraphers		10,760
Buffalo fruits and vegetables	7,460	
Buffalo live stock	10,400	
		17,860
Total		28,620

Additional costs in present branch offices in eastern markets, etc.

Fruit and vegetable markets' station and Washington	$30,500
Fruit and vegetables' field station	30,000
Live-stock markets and Washington	75,000
Dairy-products markets and Washington	25,000
Hay, feed, and seed market reporting	40,000
Grain-market reporting	20,000
Additional wires to field stations	11,350
Total	231,850

Additions to market news—Summary.

Southern circuit:		
(a)	$69,000	
(b)	27,600	
(c)	21,432	
		$118,032
Western circuit:		
(a)	111,170	
(b)	16,186	
(c)	54,188	
		181,544
Central circuit		134,960
Eastern circuit		28,620
Additional in eastern markets		160,500
Hay, feed and seed, and grain		60,000
Extra temporary wires to field station		11,344
Total		695,000
Present appropriation		405,000
Grand total		1,100,000

TABLE 1.—*Market News Service, Southeastern States, January 5, 1923.*

(Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Lousiana, Kentucky, Tennessee.)

Crops now partially covered:	Total shipments 1921 (cars).
Cantaloupes	1,826
Celery	4,173
Onions	586
Peaches	11,527
Strawberries	5,180

Crops now partially covered—Continued.	Total shipments 1921 (cars).
Tomatoes	8,626
Watermelons	29,949
White potatoes	31,105
Total	92,972
Aditional crops formerly covered (1917–18):	
Apples	2,377
Bunched vegetables	1,533
Citrus fruits	30,709
String beans, Egg plants, Peppers	1,500
Spinach	2,770
Sweet potatoes	10,243
Asparagus	102
Cabbage	10,791
Lettuce	3,496
Total	63,521

TABLE 2.—*Field station program—Southeastern States—fruits and vegetables.*

	Commodity.	Approximate yearly shipment (cars).
FLORIDA.		
Present program:		
Sanford	Celery	4,000
Hastings	White potatoes	2,500
Ocala	Watermelons	5,500
Total		12,000
Former program:		
Starke, Plant City	Strawberries	100
Palmetto, Miami	Tomatoes	3,300
Sanford	Lettuce and cabbage	3,800
Orlando	Citrus fruits and mixed vegetables.	31,000
Total		38,200
GEORGIA.		
Present program:		
Fort Valley, Cornelia	Peaches	10,600
Macon, Thomasville	Watermelons	16,000
Do	Cantaloupes	650
Total		27,250
SOUTH CAROLINA.		
Present program: Charleston	White potatoes	2,500
Former program:		
Charleston	Cucumbers	500
Meggetts	Cabbage	3,300
Williston	Asparagus	100
Blackville	Cantaloupes	300
Do	Watermelons	4,400
Total		8,600
NORTH CAROLINA.		
Present program:		
Chadbourn	Strawberries	480
Elizabeth City	White potatoes	1,500
Aberdeen	Peaches	1,500
Total		3,480
Former program:		
Elizabeth City	Sweet potatoes	1,000
Washington	White potatoes	1,000
Waynesville	Apples	500
Do	White potatoes	1,000
Laurinburg	Cantaloupes	800
Do	Watermelons	1,500
Total		5,800
VIRGINIA.		
Former program:		
Onley	White potatoes	13,000
Do	Sweet potatoes	3,500
Norfolk	White potatoes	6,000
Do	Sweet potatoes	1,500
Total		24,000
MISSISSIPPI.		
Present program: Crystal Springs	Tomatoes	2,000
Former program: Crystal Springs	Cabbage	600
ALABAMA.		
Former program: Mobile	Cabbage	1,000

TABLE 2.—*Field station program—Southeastern States—fruits and vegetables*—Continued.

	Commodity.	Approximate yearly shipment (cars).
LOUISIANA.		
Present program: Hammond	Strawberries	1,500
Former program: Alexandria	White potatoes	1,200
TENNESSEE.		
Former program:		
Humboldt	Strawberries	700
Do	Tomatoes	400
Dayton	Strawberries	750
Total		1,850
KENTUCKY.		
Present program: Bowling Green	Strawberries	400
Former program:		
Louisville	White potatoes	850
Do	Onions	400
Total		1,250

TABLE 3.—*Market news service—Fruits and vegetables.*

FEDERAL OFFICES NOW ON LEASED WIRE.

Baltimore, Boston, Chicago, Cincinnati, Fort Worth, Kansas City, Minneapolis, New York, Philadelphia, Pittsburgh, St. Louis, and Washington.

ADDITIONAL FEDERAL OFFICES FORMERLY ON LEASED WIRE.

Atlanta, Birmingham, Buffalo, Butte, Cleveland, Columbus, Denver, Des Moines, San Francisco, Detroit, Indianapolis, Jacksonville, Los Angeles, New Orleans, Oklahoma City, Omaha, Portland, and Spokane.

Mr. FLETCHER. Mr. President, I am very much afraid we will not secure the service to which we are entitled under the committee amendment. I am glad the committee saw fit to increase the amount carried in the House bill; but I still feel like asking for a vote on my amendment to make the amount $1,100,000. I offer that amendment—to substitute "$1,100,000" in lieu of "$700,000," as proposed by the committee.

Mr. SMITH. Mr. President, I should like to say to the chairman of the committee that there are some facts which I have in reference to this matter which I obtained in connection with the bill which I introduced and which formed the basis of my activity in the subcommittee in agreeing to the proposal. I should like to present those facts. If the chairman contemplates taking a recess at this time, I can do so tomorrow.

Mr. McNARY. Mr. President, I will say to the Senator that we desire to conclude the committee amendments this evening, and then the bill will be open for individual amendments tomorrow.

Mr. SMITH. Mr. President, I can make whatever statement is necessary. As I said a moment ago, I think that the amount proposed by the committee is essential to carry out the object that we have in view in gathering and disseminating the news as it has been gathered and disseminated under two legs of the service which have been in operation.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. PHIPPS. Mr. President, in support of the increase reported by the committee I ask to have printed in the RECORD a letter from Representative TIMBERLAKE and also an extract from a telegram received from the Colorado Agricultural Association. I shall not take the time to read them.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 8, 1923.

Hon. LAWRENCE C. PHIPPS.
United States Senate, Washington, D. C.

MY DEAR SENATOR PHIPPS: I am inclosing herewith a telegram received from Mr. A. A. Edward, president of the Colorado State Board of Agriculture, Fort Collins, calling attention to the fact that Representative LANHAM, of Texas, secured an amendment to the Agricultural appropriation bill providing $25,000 additional for market news and service in Texas, and expressing a very great desire to have the appropriation increased so as to provide this beneficial service for Colorado.

This wire was not received until the bill had passed the amendment stage in the House. I advised Mr. Edward that I would take the matter up with yourself, as a member of the Appropriations Committee of the Senate, so that you might determine whether or not it would be possible to secure an additional appropriation for this purpose for Colorado, as was done in the House for Texas. In discussing the matter with the chairman of the subcommittee having charge of the measure, I

was advised that this amendment was agreed to for Texas for the reason that there was already a line there and no additional expense on that account would be required. In view of this he was unwilling to oppose the appropriation asked for by Mr. LANHAM, but he doubted very much the advisability of increasing the appropriation which would permit this service as suggested in the wire from Mr. Edward.

I am submitting the wire to you, however, that you may use your judgment as a member of the committee regarding the same. I know Mr. Edward personally and well, and know that he is deeply anxious to secure this additional service for Colorado.

Very sincerely yours, CHAS. B. TIMBERLAKE.

FORT COLLINS, COLO., *December 30, 1922.*

* * * Dealers in many States not now served urgently need this market information. Our Colorado farmers and shippers have repeatedly urged Federal department to establish such service, which they replied could not be done on account of lack of funds. * * * Suggest you act in cooperation with other interested States to secure additional amount necessary for complete service. Colorado and States west last season shipped over 250,000 cars of fruits and vegetables, being about 40 per cent of total production of country, and located farthest from consuming areas, in addition to important grain, hay, live-stock, and other industries to be served. * * *

COLORADO STATE BOARD OF AGRICULTURE,
A. A. EDWARD, *President.*

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment passed over was, on page 64, line 20, to increase the total appropriation for general expenses, Bureau of Agricultural Economics, from "$1,916,660" to "$2,190,260."

The amendment was agreed to.

The VICE PRESIDENT. The Chair understands that the committee amendments have now been disposed of.

THE MERCHANT MARINE.

Mr. LODGE obtained the floor.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me?

Mr. LODGE. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I present a memorial of the seamen of the United States bearing upon the pending unfinished business. I ask that it may be printed in the RECORD in 8-point type and referred to the Committee on Commerce.

There being no objection, the memorial was referred to the Committee on Commerce and ordered to be printed in the RECORD in 8-point type, as follows:

MEMORIAL.

To the honorable Members of the Senate of the United States.

GENTLEMEN: We, the representatives of the seamen of the United States, now in convention in New York City, respectfully submit this our memorial to you, praying that you read and consider it before you vote upon the bill known to us as the subsidy bill. It is a short review of the merchant-marine history of the United States. It is taken from statutes, hearings in congressional committees, court records, and from recorded proceedings of conferences held. It is easily verified. It is written to show why the United States has no merchant marine in the foreign trade and nothing but the shadow of the real sea power in any sense.

The United States has all the elements of real sea power. It has all the elements and conditions that should make real sea power not only possible but natural. We have the seacoasts, the harbors, the natural resources and the wealth in the country back of those harbors, and the great bulk of our population belongs to that race which, through nearly the entire historical period, has furnished the world's seamen.

If it be true that sea power is the seamen—and this fact is not questioned by historians, nor has it been questioned by statesmen of the past—then it must be admitted that we have but the shadow of sea power. It is notorious that prior to the war we had such a small percentage of Americans at sea that they were negligible. Even among the officers the number of native-born Americans was in the minority, though our laws made citizenship of the officers compulsory.

That no nation ever obtained even a fair share of sea power unless such nation furnished the seamen, and that no nation was able to keep sea power long after its men had quit sea life, is another fact so well attested by history that it can not be questioned. In the colonial times and in its early history this country produced daring seamen and skilled shipbuilders in abundance. Why did this cease? Some there are who answer this question by pointing to the opening up of the West, the building of railroads, and so forth. To some extent this is of course true, but it does not explain why we did not furnish the men needed in the coastwise trade, the Lakes trade, and in the very extensive whaling operations. When we speak of the coastwise trade we must bear in mind that our coastwise trade is in fact ocean trade. With reference to the personnel, the coastwise trade includes the harbors and islands on the North American Continent, north of the southern boundary of Mexico on the Atlantic and the Pacific, together with the trade from the Hawaiian Islands and the trade from one coast to the other. It employs more than 60,000 officers and men. It is, so far as the trade between American ports is concerned, absolutely protected from all foreign competition. Why did the American youth refuse to enter this trade? Why did the American man leave it? Somebody was at fault. Who was it? The answer is: The American shipowner. In total disregard of modern human experience he insists that the basis of good service is "force and fear."

The American shipowner has always had the ear of Congress. Since the meeting of the first Congress the shipowners have been listened to with the greatest respect, and the recommendations submitted by them have in all but two questions been adopted. The two instances are their effort to prevent the adoption of the La Follette Seamen's Act and the effort to induce Congress to readopt ship subsidy after it was repealed because obtained by corrupt practices.

Notwithstanding the fact that this Nation was founded upon individual liberty, the Constitution permitted bondage—the ownership of men by other men. The shipowners asked the First Congress to make the seamen the property of the vessel during the period of the contract and Congress consented. Neither the shipowners nor Congress can be blamed very much for this. It had been the system all over Europe for some six centuries, and in southern Europe nothing else except slavery had existed prior to the adoption of the periodical bondage based upon contract. In the slave States the seaman felt himself as free, because he compared himself to those less free; but in the northern free States he felt his bondage with increasing force. He resented it. He felt that it stood in his way and prevented him from following the upward trend of society. His wages, equal to those of a skilled mechanic in the colonial times and in the early years of the Republic, remained stationary, while the wages of workingmen on shore doubled, tripled, and quadrupled. Rents and commodities rose in price until the seaman was unable to provide for a family, and this destroyed his social status. When at last all other bondage ceased, through the adoption of the thirteenth amendment to the Constitution, the shipowners took care that the seaman was not liberated. When the laws were revised to correspond with the thirteenth amendment, the seaman's status was not changed. It followed as a matter of course that he was ill-treated, and the literature and the court records furnish a terrible account of such ill-treatment from the earliest days of the Republic, and such ill-treatment is not altogether ended even at this day.

In the meantime the laws were, at the shipowners' request, sharpened and made more drastic. When the shipowner wanted the mutiny laws so extended as to be applicable in harbor, they were in 1835 so extended. When he wanted to reduce the number of citizens which at one time he was compelled to carry, his wish was, in 1864, complied with. When the shipowner wanted to be free to hire men from any race or any nation, with or without previous training, his request was granted.

When it occurred to the shipowner that the laws dealing with seamen ought to be brought together, systematized, and extended, Congress took some of the laws, which Great Britain had adopted as a protection to the seamen, added them to the shipowners' request, and in 1872 passed the so-called shipping commissioners' act. Within two years the shipowners found that they did not like the regulations and supervision provided for and so informed Congress, with the request that they be repealed in the coastwise trade, and in 1874 all the provisions of the shipping commissioners' act were repealed in the coastwise trade and in the trade to near-by foreign countries. When the shipowner thought that it would be better for him to prohibit the payment of wages in advance, such payments were prohibited in 1884. When the shipowner changed his mind about this matter Congress in 1886 so amended the law that advance wages could again be paid.

When the shipowner found that he could not hold the wages paid at American ports down to the figure paid by his competitor in foreign countries he requested permission to hire his seamen in foreign ports, to bring them to American ports, to hold them on the vessel through the imprisonment and compulsory labor clauses of the law, and to take them back to some foreign country without reshipping them in the United States, and Congress readily consented and made this part of the law of 1886. The shipowner thought that in this way it would be possible for him to get and keep men at the same rate of wages as the competitor—be such wages the rate in Japan or Europe. When the shipowners discovered that in 1874 they had obtained more than they expected or desired and that the sea-

man in the coastwise trade was able to quit work and could neither be imprisoned nor brought back on the vessel against his will, in 1890 they went to Congress to have the imprisonment restored, and again Congress consented to change the law in the manner requested.

When they sought freedom from responsibility to the traveler or shipper, they did not seek in vain. Congress in 1851, 1884, and 1886 perfected a limitation of liability, which left nothing but the freight money pending and the proceeds from the sale of the wreck. The *Titanic*, which under British law would have been compelled to pay more than $3,000,000, under American law escaped with the payment of less than $100,000.

When the shipowner desired to shed the risk arising from the dangers of the sea and from "acts of God," he was permitted to organize an insurance, under which all such risks have been transferred to the public. When such insurance did not cover all possible kinds of losses, he arranged another kind of insurance—the protection and indemnity insurance—to protect himself against the losses arising from smuggling and other illegal practices, which came into vogue through the kind of men carried. When he then came to the conclusion that he had nothing to lose by the loss of the vessel, he cut the crews both in number and skill until it became unbearable for the men employed. In short, the policy of force and fear originated and followed by the shipowner has driven the American from the sea. It has destroyed our sea power, and it is now preventing the growth of a personnel, which is the very soul of power on the seas.

The American was leaving the sea, and his place was taken, first, by the North European, then by the negro, then by the South European, then by the Chinese, the Japanese, and the Malays, or the Croman and the Hawaiian Islander. The only question asked was and is: "Will you sail at wages set by me and under conditions determined by me?" When the white seamen in desperation tried to organize and sought to get the benefit of such laws as Congress had passed for seamen's protection, they were persecuted in every way. The men had to learn to lie—to deny their membership—and when they, as individuals, undertook to bring their grievances before the courts every trick was used to so delay the trials that the witnesses were by hunger driven to abandon their cause. When these methods failed through the power of the mutual aid practiced by the men, the appeal was made to public opinion in order to so influence it that juries would fail to agree or find the accused not guilty. (See Red Record.) Such was the shipowners' policy up to the beginning of our participation in the World War.

The seaman's act was passed over their protest and they determined to cause its repeal. When the representatives of the Seamen's Union appealed to them, asking for permission to cooperate in building up a personnel, that manifestly soon would be needed, they cynically answered that they were going to have the act repealed. They did their best to accomplish that purpose by beginning, in cooperation with foreign shipowners, such a publicity campaign as seldom has been seen; it did not stop even during the war. Although it failed to repeal the law, it so poisoned public opinion that the statute has never been enforced.

When the United States entered the war and the Shipping Board was created, the shipowners were, for the period of the actual war, compelled to pretend to cooperate; but in very many cases it was pure pretense. When the seamen voluntarily surrendered advantages obtained prior to the war in order to help in building a personnel, the concessions were used in an endeavor to hurt the organization much more than was at all necessary.

When the war was ended and the shipowners could manage their vessels in their own way, they promptly returned to their old policy, and finding the union grown strong enough to hire first-class lawyers to fight the seamen's cases and to defend the law, they became more determined than ever to destroy the possibility of mutual aid, using for their purpose not only their own power, but also seeking legislative aid to accomplish their purposes. We find them appealing to Congress to pass laws that would assist them in driving skilled men from the merchant marine in total disregard of the harm that inevitably must flow from such policy. This appeal was by Mr. A. F. Haines, vice president and general manager, Pacific Steamship Co., Seattle. He was at that time an influential officer in the Steamship Owners' Association, and there is no doubt that he voiced their ideas before the Senate Committee on Commerce in the hearings on the Jones bill. Among the propositions which he brought before the Senate Committee on Commerce were, that the Government should establish a large naval reserve, and that the Shipping Board should continue the recruiting service and the schools for training of men (p. 435). The real purpose of these proposals appeared under cross-examination. On pages 481–482 of the hearings he complained that the men were unionized and specified that as a handicap. On page 484 he insisted on a reduction in the training time for able seamen to six months in order to get the American who, he stated, learns very quickly. And on page 485 he affirmed that these new men are better than the old-line sailors; and again he brought forward the necessity for continuing the training ships, the establishment of the large naval reserve, and a number of cadets. But on page 487 he insisted that the shipowners must have the privilege of employing Chinese, Malays, Filipinos, or Lascars in the fireroom to the Tropics. (English experience shows that the orientals can not stand the heat as well as white men.) He went on to state that the Americans cause trouble in the Tropics, meaning the foreign trade (same page).

On page 488 he again complained about the unions, and when asked by the chairman, "How would legislation help you out?" Mr. Haines answered, "You can legislate in favor of American citizens, and you can legislate in favor of the Shipping Board recruiting service, and in favor of carrying cadets, and in favor of the naval training ships, and in time we will work out our own salvation." On page 489, Senator NELSON asked, "How would a law compel you to run an open-shop ship?" Mr. Haines answered, "I would be in favor of that." On page 490, Mr. Haines stated, "If you give us the kind of men we will get—if you will legislate in favor of the naval training ship and the Shipping Board recruiting service and the cadets, we will get that kind of men; we will change their habits." The chairman asked, "That is, you will largely get men whose habits do not need correcting?" Mr. Haines answered "Yes."

The foregoing testimony—and nearly all his testimony is in this vein—ought to satisfy anybody that the shipowners were at that time, just after the war, eager to substitute another personnel—one that would tolerate their policy of "force and fear." The committee, however, did not recommend any legislation such as was asked for by Mr. Haines. It is quoted here to show that the shipowners wanted to get rid of the men who had some skill and, therefore, some self-respect, and who had faced the submarine; that Congress refused it, but that the Shipping Board, as shall be shown later, assisted the owners to accomplish their purpose. We do not pretend to know all the purposes of the shipowners. We know their policy and we know the result, which we are here trying to convey to you. We now ask, Is it safe to follow the advice of men who have proven themselves wrong for a period of more than 100 years? The answer may, of course, be that the recommendations now come from the Shipping Board; but if it is proven that the Shipping Board is just another name for the shipowners, that the Shipping Board takes the shipowners' policy not only with reference to the personnel but also in other important items, would it not then be well to stop, look, and seriously think before you make up your mind? If it be true that the seamen are the merchant marine—the sea power—would it not be well to look into these facts before acting? Is it not true that the congressional mind has come to question not only the wisdom, the real knowledge, the disinterestedness, but even the perfect frankness and honesty of some of the shipowners who appear before committees to give evidence about maritime affairs? Was it not some such feeling that caused the repeal in 1895 of the imprisonment adopted in 1890, that caused the amendments to the law governing seamen in 1898, that caused the enactment of the La Follette Seamen's Act in 1915, and then caused the creation of the United States Shipping Board, with its duties and powers, materially increased from time to time since? Be that as it may, the Shipping Board was created and Congress ought to be able to rely upon its reports, and any recommendations from such board ought to be treated with great respect. Decidedly true; but if the board has adopted and if it is following the policy of the shipowners, should not its recommendations be considered with the same care that would be bestowed upon recommendations coming from owners as such?

In its earlier existence, and more especially during the war, the board disagreed with the advice brought to it by the shipowners, and under the actions then taken and the rules then established with reference to the personnel a large number of skilled men who had quit the sea came back and the purely American element of the personnel, exclusive of licensed officers, increased in less than four years from between 5 and 10 per cent to more than 51 per cent. The policy of "force and fear" had for a time been abandoned.

When President Wilson was about to go to Paris, the board, thinking it likely that the seamen's act might be a question

raised, and wishing to furnish the President with reliable information as to whether the law did or did not equalize the wages of seamen on foreign and American vessels, sent a representative to some of the eastern seaports to investigate and report. The investigator was, when entering on his duties, hostile to the act. He did not believe that it did equalize. He came back and made a report that it did. The report was taken to France by the President. That is, it was recognized as reliable, and yet the present board repudiates that report.

When, in 1919, the seamen asked that the preference which had been given to the members of the union in shipping be continued and that the working rules be recast, in the interest of all parties, the shipowners refused, and the board followed their example to the extent of laying up the vessels. When the shipowners offered an increase in wages in lieu of recasting the rules and of recognition, the board followed suit. When the shipowners finally agreed to the eight-hour day for sailors and adopted sundry other amendments in the working rules—some of which were bad for the service—the board did the same. And the board again followed the shipowners in permitting the officers of the union to visit the men on the vessels. When, in 1920, there was a question about whether the agreement of 1919 was to be continued for one more year, the board again followed the shipowners. Some members of the board wanted to restore the preference to union men, and when that could not be obtained these members of the board were willing to give preference to American citizens, but the shipowners refused, and the board accepted the shipowners' decision.

When, in 1921, the slump in shipping came, the board had the chance to build a first-class personnel. Somebody had to be dismissed, and the board could have selected and kept the best among the Americans and among the foreigners who had declared their intentions to become citizens. It could have adopted examinations in seamanship for deck officers, in practical operation of marine engines for marine engineers, and could have made use of the law to disrate such members of the crew as were unskilled and showed no willingness to learn. Thus by selection based upon skill it could have sloughed off the inefficient and unsuitable. The chairman of the board was advised to do this, but he did not. Instead, the board followed the policy urged by Mr. Haines, already referred to.

On January 25, 1921, the shipowners and the board wrote to the seamen's union on the Atlantic suggesting and insisting, notwithstanding that the agreement had three months to run, upon an immediate reduction in wages and abolition of all overtime pay.

On the 31st they were answered that the union was willing to meet and confer, with the purpose of complying with the request, but that such agreement as might be arrived at ought, by agreement, to be continued until April 30, 1922. There was no answer until late in April, when a conference was called. The conference met in New York and the shipowners proposed a decrease of 25 per cent in wages and the abolition of all overtime pay. The union was willing to confer on the lines laid down, provided that the following was tentatively accepted:

1. Abolish the sea-service bureau.
2. Enforce section 13 of the seamen's act, especially the language clause.
3. Enforce section 14 on foreign ships strictly.
4. Enforce section 2 on American vessels.
5. Preference in employment to union men, for the purpose of developing efficiency.
6. The union to examine the men and not to admit to membership anybody for ratings for which they are not reasonably qualified; this for the purpose of assisting that efficiency.

This counter proposal was rejected by the shipowners, who stated that they were opposed to the enforcement of the seamen's act.

The seamen then rejected the proposals of the shipowners and the conference ended, but was called by the chairman of the Shipping Board to meet in Washington on the 27th. At this meeting the chairman of the board, Admiral Benson, stated that the board had determined that there should be a reduction of 15 per cent in wages, and that overtime pay should cease. With reference to the seamen's proposals he made the following statement:

"Taking up first the six points above noted, I would say that the Shipping Board can not consent to the abolition of the sea-service bureau for reasons which have been expressed in recent press statements, nor can it assent as a Government institution to points 5 and 6 involving union preference. The Shipping Board, as a Government institution, must stand for that equality in its relations to the Government which is guaranteed to every citizen by the Constitution of the United States. So far as points 2, 3, and 4 are concerned, it is my opinion that any act of Congress, until definitely repealed or modified, so long as it stands upon the statute books, should be enforced by the department charged with such enforcement."

The shipowners were opposed to the law being enforced and the board was of the opinion that laws should be enforced by the department charged with such enforcement. The fact that both the shipowners and the Shipping Board were living in the United States, that each were responsible for the operation of vessels under the American flag, and that, as good Americans, they were expected to obey the law without compulsion, did not seem to occur to either. That the shipowners and the board had come to some agreement about what was to be done with the seamen was too plain for doubt. The representatives of the seamen did, however, ask whether the sailors would be permitted to keep the three-watch system at sea. The prompt and united answer was "No." When the seamen asked whether the right of the seamen to be visited by officers of the union on the vessels and whether the officers of the union would be permitted to represent the men in the owners' offices in cases of dispute, the answer was again "No." (This answer was the more astonishing, because the right of ships' crews to be visited by the union officials had obtained in the United States practically since the adoption of the seamen's act, and was in operation in nearly all countries.)

Since preference of any kind had been refused to the members of the union, the officials of which were then in conference with the representatives of the shipowners and the board, and since the refusal was "because that would be discriminating against American citizens," the union representatives suggested that, subject only to the skill and experience, the American should have the first chance of employment, and that the foreigner, who had declared his intention to become an American citizen, should, subject to skill and seniority of papers, have the second chance of employment, and that the question of unionism should be completely waived. There was some hesitation on the part of the admiral; but from the owners came the response "No," in which the admiral then joined. The union representatives then offered to refer the whole question at issue to the President of the United States, with a guaranty to work for one year at such wages and conditions as the President might determine. Again the answer was "No," whereupon the representatives of the unions left, stating that they would appeal to the President, which they did in the following letter:

"WASHINGTON, D. C., *April 29, 1921.*

"MR. PRESIDENT: This is a report and a prayer. All the agreements and arrangements between shipowners organized in the American Steamship Owners' Association, the United States Shipping Board, the organized marine engineers, sailors, firemen, marine cooks, and stewards, these last three constituting the International Seamen's Union of America, will cease with to-morrow night.

"The shipowners offered us a reduction amounting to 25 per cent on wages and subsistence and the abolition of all pay for overtime work. This took place in the month of January. We wrote them a letter offering to meet them to do the utmost possible to come to an understanding, to take effect immediately, and to run until April last, 1922. There was no meeting until the 19th of this month. Then they offered us conditions that were utterly impossible for us to accept. We countered with certain propositions which we deemed of absolute necessity for the upbuilding and preservation of the personnel of the merchant marine of America. They refused. We met them again on the 25th and they refused to consider our proposals. This ended the meetings in New York.

"Admiral Benson, chairman of the Shipping Board, called everybody interested to meet here in Washington on Wednesday the 27th. There was a 10 per cent reduction in the cut proposed to us here, making it 15 per cent of the actual wages signed for on the articles, but the total cut would, under the rules proposed, be from 40 to 60 per cent in the actual income of the men employed; but no other change in the other things, except that in so far as the carrying out of the law was concerned, the admiral declared himself entirely in favor of the carrying out of the law, and that he would do what he could to have the law enforced.

"We submitted as a proposition that in the matter of employment the American citizen would have the preference for any rating which we would be qualified to fill, and that men with intention papers should have the next chance of employment, basing their preference amongst them upon the length of time that such intention papers had been held. This was refused. There were several other propositions made and refused.

Whereupon we made the offer to submit the entire question to you, declaring ourselves willing to accept whatever you should deem most advantageous to the building up of a merchant marine for the United States, and that in order to prevent any stoppage at all the present condition should remain until you had an opportunity to act upon the situation. This was first refused by Admiral Benson, stating that he would not burden you with this matter. It was then peremptorily refused by the shipowners. We renewed our offer and again were refused. Whereupon it was stated by us that we felt that we did not burden you by submitting our judgment to yours. We felt that we were doing our duty to you and to the merchant marine.

"We now respectfully submit the matter to you in the firm faith that you will act for the development and maintenance of the merchant marine.

"Most respectfully,

"W. S. BROWN,
"*President Marine Engineers' Beneficial Association.*
"ANDREW FURUSETH,
"*President International Seamen's Union of America.*

"To the PRESIDENT OF THE UNITED STATES,
"*The White House, Washington, D. C.*"

On May 1, 1921, the seamen all over the country were given the choice of signing shipping articles at the wages and on the terms laid down by the board and indorsed by the shipowners or to quit their employment. They quit. Some may call this a strike; but if there ever was a lockout, it must have looked something like this.

The vessels had some difficulty in finding men with which they could go to sea, even though no respect was paid to any laws about efficiency, and some of the shipowners entered into agreements to continue to pay the wages and to observe previous conditions; but upon threats from Admiral Benson, the chairman of the Shipping Board, that the vessels would be taken from them, those who operated Shipping Board vessels canceled the agreements at once and those who had agreed for their own vessels canceled theirs after the struggle was over and the men defeated. Defeat, of course, could not be avoided when the shipowners had the power and the resources of the Government to draw upon.

The shipowners having, under the circumstances, no need of risking their own ships, tied up their good vessels and induced the Shipping Board to run the vessels belonging to the people. The Shipping Board took the risk both of sabotage and inefficient men and, by a low estimate, wasted more than $10,000,000 in winning for the shipowners a struggle that had no excuse at all for existence and the real cost of which can not be measured in dollars. The men fit for and accustomed to the sea do not take kindly to any policy based upon "force and fear," and the American least of all. The real American in spirit and blood began at once to leave the sea, and he left with curses on his lips and hatred in his mind. Coming home he freely distributed both. This will surely not assist in making the American ship minded and ready to invest money in shipping, the necessity for which was so persistently urged during the hearings on the Jones bill. The worth-while foreign born, who had taken out intention papers, are leaving in the same way, except that many of them left to sail in the vessels of their own or other European countries. And the exodus is yet on. If in the coastwise and foreign trade together there be at this time 15 per cent of native American and 10 per cent of foreigners worth while left, the United States is fortunate indeed. The representatives of the seamen who attended the Washington conference on the 27th and 29th of April, 1921, knew what was to be the result. They gave expression to their knowledge when they proposed the reference to the President of the United States and offered, on behalf of the seamen, to sail one year for such wages and under such conditions as the President might determine. The chairman of the Shipping Board and some of the shipowners evidently could not understand, but we believe that others did and adopted the policy as a means to the end which they sought. Men worth while left the sea; men worth while are still leaving. Nothing short of an absolute change in policy will stop the exodus or bring back any considerable number of those who left or bring others worth while in their places.

There are no indications of any such change. Rather the indications all point the other way. The Shipping Board has reduced the crews in numbers and efficiency until the work that can not be postponed has become unendurable. The board has again reduced wages, so that they are now in purchasing power about what they were prior to the war.

The shipowners have officially reduced wages until they are equal to the English, but less than the Danish or Swedish. Unofficially they are now paying less than the English, and they are compelling the men to carry a shipowner's black list in form of a continuous discharge book and exhibiting it before they can get employment. The shipowners are getting men accordingly. Some men are sailing in order to smuggle—anything from lewd, prohibited pictures to narcotics and prohibited immigrants, Chinese and others—others because they lack the energy to quit, or because they are made to move by the police. Of course, there are some men yet left who refuse both to quit and to take the book, because they have not quite given up the hope that a change is coming. A change certainly must come if the United States are to have any share in the world's sea power.

Sea power is not for sale by shipowners at any given price. In a sense it is a flower, but it can not be grown in a hothouse. It grows in freedom and in soil made up of courage, skill, and honor, watered by sacrifice and death.

We respectfully submit the foregoing to your kind consideration. We beg that you defeat the subsidy bill and that in lieu thereof you repeal the shipbuilders' monopoly; that you take the departmental supervision over seamen from the Shipping Board and the Department of Commerce, and give it under proper regulations to the Department of Labor; and that you so amend the laws passed to promote safety and human decency at sea that they will be enforced. It is by such legislation that a merchant marine and sea power can be built for America.

On behalf of the International Seamen's Union of America.

Most sincerely and respectfully yours,

ANDREW FURUSETH, *President*,
K. B. NOLAN, *Secretary*.

CONTINENTAL HOTEL,
New York City, N. Y., January 8, 1923.

ACTIVITIES OF FEDERAL TRADE COMMISSION.

Mr. CAPPER. Mr. President, a few days ago there was published in a trade journal an editorial making charges against the Federal Trade Commission. I asked the chairman of the commission for the facts and I have a letter from him, which I ask unanimous consent to have printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The letter referred to is as follows:

FEDERAL TRADE COMMISSION,
OFFICE OF THE CHAIRMAN,
Washington, December 28, 1922.

MY DEAR SENATOR: I have your memorandum transmitting editorial from the December 20, 1922, issue of the Tobacco Record. This editorial is an attack on the Federal Trade Commission entitled, "How long are the people going to permit the gigantic waste of public funds to support the spies and sleuths of the Federal Trade Commission?" The editorial professes to deal with the activities of the Federal Trade Commission and the commission's expenditures since its date of organization in 1915. The statements in the editorial are as obviously wide of the facts as the whole animus of the attack itself is upon its face unfair.

It has been recently the duty of the commission, under its organic act, to issue 11 formal complaints charging unfair methods of competition in the tobacco industry.

Among other things, the editorial says: "The Federal Trade Commission is constantly clamoring for larger and larger appropriations." I am indicating below the annual appropriations available and the amount expended by fiscal years since the commission was organized in 1915, together with unexpended appropriation balances for each of the fiscal years, which shows that in most of the years of its history the commission has returned money to the Treasury, and that its present annual expenditure is far below that of former years.

Fiscal year.	Appropriation available.	Amount expended.	Unexpended balance.
1915	$108,052.15	$90,442.05	$17,610.10
1916	355,000.00	351,999.73	3,000.27
1917	519,080.00	456,950.96	62,129.04
1918	1,572,920.00	1,505,163.90	67,756.10
1919	[1] 1,477,540.00	1,477,540.00	.....
1920	1,055,000.00	1,040,424.35	15,575.65
1920	150,000.00	.....	150,000.00
1921	955,000.00	882,943.91	72,056.09
1922	955,000.00	890,213.36	64,786.64

[1] There was actually available to the commission for this fiscal year $1,677,540, reduced $200,000 during the fiscal year by act of Congress, which following cessation of war covered many war-year appropriations back into the general fund of the Treasury.

In addition to the appropriations and expenditures enumerated above the commission has expended the amount of $75,964.08, which represented the unexpended balance of the appropriation of the Bureau of Corporations for the fiscal year 1914, which became available under a decision by the Comptroller of the Treasury. These expenditures were incurred during the fiscal years 1916 to 1923, inclusive, the final unexpended balance being used during the month of July of the current fiscal year.

In connection with the appropriation of $150,000 for the fiscal year 1920, which, you will note, was not used, you are advised that this amount was provided for in the deficiency act approved November 4, 1919, to cover the expense of the commission's investigation in connection with the high cost of living. This work was stopped by a

court injunction which made it impossible to continue with the same, and the small amount expended in connection therewith before action was taken by the court was charged to the commission's regular appropriation for the fiscal year 1920.

The increase in expenditures for the fiscal years 1918, 1919, and 1920 arose from the fact that during these years the commission was engaged in special war work, or work that developed as result of the war, and a larger force, also appropriation, was necessary. During the fiscal years 1921 and 1922 it will be noted that the expenditures for each year amounted to less than $900,000, while for the current year the expenditures will not exceed $868,000, the total appropriation available.

The editorial says: "By the end of the fiscal year 1920 the number of employees on the pay roll had practically doubled to 418, and it is still growing." The commission had 638 employees during the war; it had 418 employees on June 30, 1920, but by December 31, 1920, this number had been reduced to 316, practically the same number now employed. On June 30, 1922, the commission had 100 less employees than it had on June 30, 1920, and 320 less employees than during the war year 1918. Here is a table showing the number of employees carried on the roll at the end of each fiscal year, a casual glance at which will show how ill-founded the ill-tempered editorial charges are:

	Number of employees.		Number of employees.
1916	224	1920	418
1917	210	1921	315
1918	638	1922	318
1919	364		

As you well know, the commission does not maintain a secret service or send sleuths and spies out to harass the business men of the country but restricts its efforts to the work it is called upon to do by law or as a result of congressional resolution. During the fiscal years 1915 to 1918, inclusive, the commission did not investigate any phase of the tobacco industry. In 1919 the commission expended $3,759.59 and in 1920 $4,887.47 in doing work requested by the War Industries Board in connection with war contracts on tobacco and cigarettes, information being necessary upon which to make contract claim adjustments. During the fiscal year 1921 the commission expended $11,094.10. The work involving this expenditure was done in connection with the determining of the prices paid growers for various types of leaf tobacco and the cost and selling prices of manufactured tobaccos, as required of the commission by House Resolution 533, Sixty-sixth Congress. During the fiscal year 1922 the commission expended $24,950.81. This covered the expense of the commission's investigation to determine the prices, profits, and competitive conditions in the tobacco industry, as required by Senate Resolution 129, Sixty-seventh Congress, adopted August 9, 1921.

These figures indicate that the commission has expended comparatively little in connection with its investigation of the tobacco industry, and most of the amount involved expenses connected with work directed by Congress.

I note that copies of the editorial were sent to all of the Senators, and if it should be used as a basis for an attack upon the commission I will appreciate it very much if you will use the facts contained herein to show up the inaccuracies contained in the editorial.

Yours truly,

VICTOR MURDOCK, *Chairman.*

HON. ARTHUR CAPPER,
United States Senate, Washington, D. C.

EXECUTIVE SESSION.

Mr. LODGE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 30 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Wednesday, January 10, 1923, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate January 9, 1923.

PROMOTIONS IN THE NAVY.

The following-named captains to be rear admirals in the Navy from the 6th day of January, 1923:

Charles B. McVay, jr.

John H. Dayton.

Commander Kenneth G. Castleman, an additional number in grade, to be a captain in the Navy from the 3d day of June, 1922.

Lieut. Commander Grafton A. Beall, jr., to be a commander in the Navy from the 21st day of May, 1922.

The following-named lieutenant commanders to be commanders in the Navy from the 3d day of June, 1922:

William H. Lee.

Ralph C. Needham.

George W. Kenyon.

Lieut. Commander Bruce R. Ware, jr., to be a commander in the Navy from the 7th day of July, 1922.

Lieut. Commander Arie A. Corwin to be a commander in the Navy from the 12th day of November, 1922.

Lieut. Commander George M. Courts to be a commander in the Navy from the 26th day of December, 1922.

The following-named lieutenants to be lieutenant commanders in the Navy from the 3d day of June, 1922:

Robert B. Simons.	Harold B. Grow.
Ellis M. Zacharias.	Beriah M. Thompson.
Louis P. Wenzell.	

Lieut. Horatio J. Peirce to be a lieutenant commander in the Navy from the 23d day of August, 1922.

Lieut. Hugh C. Frazer to be a lieutenant commander in the Navy from the 19th day of September, 1922.

Lieut. Thales S. Boyd to be a lieutenant commander in the Navy from the 1st day of October, 1922.

Lieut. James A. Crutchfield to be a lieutenant commander in the Navy from the 1st day of October, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 31st day of December, 1921:

Otto H. H. Strack.

Carl H. Forth.

Lieut. (junior grade) Duane L. Taylor to be a lieutenant in the Navy from the 26th day of April, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 3d day of June, 1922:

Hubert H. Anderson.	Alfred P. Moran, jr.
Paul F. Lee.	Ralph E. Jennings.
Frank N. Sayre.	Earle H. Kincaid.
George W. Brashears, jr.	Fred A. Hardesty.

Lieut. (junior grade) William Hartenstein to be a lieutenant in the Navy from the 27th day of June, 1922.

Lieut. (junior grade) Merritt P. Higgins to be a lieutenant in the Navy from the 1st day of July, 1922.

Lieut. (junior grade) Carl A. Scott to be a lieutenant in the Navy from the 2d day of July, 1922.

Lieut. (junior grade) William L. Peterson to be a lieutenant in the Navy from the 4th day of July, 1922.

Lieut. (junior grade) Paul C. Warner to be a lieutenant in the Navy from the 7th day of July, 1922.

Lieut. (junior grade) Raymond F. Tyler to be a lieutenant in the Navy from the 8th day of July, 1922.

Lieut. (junior grade) Troy N. Thweatt to be a lieutenant in the Navy from the 16th day of July, 1922.

Lieut. (junior grade) Harry F. Carlson to be a lieutenant in the Navy from the 16th day of August, 1922.

Lieut. (junior grade) Frederick O. Goldsmith to be a lieutenant in the Navy from the 16th day of August, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 2d day of September, 1922:

Daniel H. Kane.

Russell V. Pollard.

Lieut. (junior grade) Thomas D. Guinn to be a lieutenant in the Navy from the 19th day of September, 1922.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 31st day of December, 1921:

Harry E. Stevens.	Alva Henderson.
Clyde Keene.	Elmer J. Tiernan.
David McWhorter, jr.	Benjamin S. Brown.
Clarence E. Williams.	Charles R. Hoffecker.
Grover C. Watkins.	Harley E. Barrows.
Walter M. Shipley.	Donald B. McClary.
Daniel F. Mulvihill.	Eli B. Parsons.
Samuel E. Lee.	Julius C. Kinsky.
Alvin Henderson.	Francis E. Matthews.
Thomas P. Kane.	Henry L. Burmann.
Wiley B. Jones.	Eugene Bastian.
Philip D. Butler.	

Ensign Howard L. Clark to be a lieutenant (junior grade) in the Navy, from the 31st day of January, 1922.

Ensign Frederick A. Smith to be a lieutenant (junior grade) in the Navy, from the 15th day of March, 1922.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 22d day of April, 1922:

Charles H. Miller.	Ralph L. Lovejoy.
Myron T. Richardson.	John A. Sedgwick.
Jackson R. Tate.	Lawrence F. Blodgett.
James S. Haughey.	Merritt A. Bittinger.
Cyril E. Taylor.	William L. Hickey.

Ensign Bernard J. Loughman to be a lieutenant (junior grade) in the Navy, from the 1st day of June, 1922.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 7th day of June, 1922:

Raymond C. Ferris.	William H. Galbraith.
Robert D. Threshie.	Ernest E. Stevens.
Frank W. Schmidt.	Maurice Van Cleave.
Edward H. McMenemy.	Royal A. Houghton.
Darrough S. Gurney.	Carroll T. Bonney.
John B. Mallard.	George D. Morrison.
William E. Miller.	William P. Hepburn.
Jim T. Acree.	Charles L. Surren.
Edward H. Doolin.	Marvin H. Grove.

Surg. Eugene A. Vickery to be a medical inspector in the Navy with the rank of commander from the 16th day of July, 1922.

Passed Asst. Surg. Frederic L. Conklin to be a surgeon in the Navy with the rank of lieutenant commander from the 3d day of June, 1922.

The following-named assistant surgeons to be passed assistant surgeons in the Navy with the rank of lieutenant from the 2d day of October, 1922:

Charles F. Behrens.
Charles E. Clark.
Loyd L. Edmisten.
Frank M. Moxon.
Duncan D. Bullock.
Navy F. X. Banvard.
Fred M. Rohow.
Lyle J. Millan.
Robert E. Duncan.

Passed Assistant Dental Surgeon Alexander G. Lyle to be a dental surgeon in the Navy with the rank of lieutenant commander from the 3d day of June, 1922.

Assistant Dental Surgeon Ray Endell Farnsworth to be a passed assistant dental surgeon in the Navy with the rank of lieutenant from the 9th day of August, 1922.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy with the rank of lieutenant from the 2d day of October, 1922:

Walter I. Minowitz.
Leonard M. Desmond.
Harold J. Hill.

Chaplain George E. T. Stevenson to be a chaplain in the Navy with the rank of captain from the 30th day of June, 1919.

Naval Constructor Robert Stocker to be a naval constructor in the Navy with the rank of rear admiral from the 17th day of January, 1923.

Naval Constructor William McEntee to be a naval constructor in the Navy with the rank of captain from the 11th day of July, 1922.

Naval Constructor Richard D. Gatewood to be a naval constructor in the Navy with the rank of captain from the 18th day of September, 1922.

Naval Constructor George C. Westervelt to be a naval constructor in the Navy with the rank of captain from the 19th day of October, 1922.

Naval Constructor Emory S. Land to be a naval constructor in the Navy with the rank of captain from the 17th day of January, 1923.

Naval Constructor Walter W. Webster to be a naval constructor in the Navy with the rank of commander from the 18th day of September, 1922.

Assistant Naval Constructor Harold E. Saunders to be a naval constructor in the Navy with the rank of commander from the 19th day of October, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 9, 1923.

UNITED STATES JUDGES.

Frank H. Rudkin to be circuit judge, ninth circuit.

William H. Atwell to be district judge, northern district of Texas.

COAST AND GEODETIC SURVEY.

Charles Mitchell Thomas to be aid with rank of ensign in Navy.

PROMOTIONS IN THE ARMY.

Ralph Henry Lewis to be first lieutenant, Veterinary Corps.

Emil William Weber to be chaplain with rank of captain.

John Oscar Lindquist to be chaplain with rank of captain.

Alexander Wayman Thomas to be chaplain with rank of captain.

Frank Connors Rideout to be chaplain with rank of captain.

Alfred Cookman Oliver, jr., to be chaplain with rank of captain.

Pierre Hector Levesque to be chaplain with rank of captain.

John Hall to be chaplain with rank of captain.

Edward Lewis Trett to be chaplain with rank of captain.

Charles Coburn Merrill to be chaplain with rank of captain.

Elbert Kelly to be second lieutenant, Infantry arm.

Orestes Cleveland to be second lieutenant, Infantry arm.

James Harrison Dickie to be second lieutenant, Field Artillery arm.

Richard André Peterson to be second lieutenant, Air Service.

POSTMASTERS.

ALABAMA.

Alison B. Alford, Ashford.
Marion F. Boatwright, Ashville.
Ed P. Johnson, Samson.
Albert N. Holland, Scottsboro.

COLORADO.

Charles E. Leibold, Manitou.
Orion W. Daggett, Redcliff.

IDAHO.

Louis W. Thrailkill, Boise.
Guy I. Towle, Jerome.

ILLINOIS.

James H. Truesdale, Bunker Hill.
John J. Stowe, Girard.
Burr H. Swan, Pittsfield.

INDIANA.

Arthur E. Dill, Fort Branch.
Thomas J. Jackson, New Albany.
John A. Austermiller, Terre Haute.
David E. Purviance, Wabash.

KANSAS.

James E. Miller, Walnut.

MARYLAND.

Jacob C. Hemmons, Ridgely.

MICHIGAN.

Bert A. Dickerson, Constantine.

MINNESOTA.

Ethel V. Engstrom, Grandy.
Fred G. Fratzke, Janesville.
John P. Grothe, Roseau.
Henry C. Megrund, Shelly.
Olaf E. Reiersgood, Ulen.

NEW HAMPSHIRE.

Lena K. Smith, Lancaster.
Cora H. Eaton, Littleton.

NORTH DAKOTA.

Jacob A. Phillips, Cleveland.

SOUTH CAROLINA.

Mortimer R. Sams, Jonesville.

SOUTH DAKOTA.

Benjamin R. Stone, Lead.
Matt Flavin, Sturgis.
Clarence I. Hougen, Wilmot.

TENNESSEE.

Conley Collins, Morristown.

TEXAS.

Arthur G. Gilbert, Abernathy.
Charles A. Ziegenhals, Bastrop.
Otis A. Gildon, Daisetta.
Sidney O. Hyer, Frost.
Oliver S. York, Galveston.
Fannie H. Miller, Newton.
Ralph E. Hollingsworth, Sunset.

UTAH.

Arza C. Page, Payson.
Aroet L. Harris, Richmond.

VIRGIN ISLANDS.

Albert L. Lockwood, St. Thomas.

WEST VIRGINIA.

Curtis K. Stem, Weirton.

HOUSE OF REPRESENTATIVES.

TUESDAY, *January 9, 1923.*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, our Heavenly Father, that behind the whole of life, with its experiences of sunshine and shade, there is a divine hand marking and shaping our destiny. Let the consciousness of Thy sympathy, love, and care make cheerfulness abound with industry. In quiet and in confidence may we live the good life and in loyal obedience to Thy precepts follow the paths that lead to peace and rest. Ever bring us toward the full understanding that he who is learning each day to do better and to be better is abiding under the shadow of the Almighty. In the blessed name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.